

**ALLEGANY COUNTY, MARYLAND**  
**COMPREHENSIVE ANNUAL**  
**FINANCIAL REPORT**

FOR THE FISCAL YEAR  
JULY 1, 2001 - JUNE 30, 2002

Prepared by:  
The Allegany County Finance Office  
Jerry L. Frantz, CPA, Director

**ALLEGANY COUNTY, MARYLAND**  
**COMPREHENSIVE ANNUAL FINANCIAL REPORT**

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# ALLEGANY COUNTY, MARYLAND

## *Finance Office*

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### BOARD OF COMMISSIONERS

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Robert M. Hutcheson  
Barbara B. Roque

Vance C. Ishler, *County Administrator*  
Jerry L. Frantz, CPA, *Director of Finance*  
W. Jay George, CPA, *Assistant Director*  
Randall P. Bittinger, CPA, *Chief Accountant*  
Kevin M. Shaffer, *Accountant*

November 6, 2002

The Board of County Commissioners and the  
Citizens of Allegany County, Maryland

Ladies and Gentlemen:

The Comprehensive Annual Financial Report (CAFR) of Allegany County, Maryland for the fiscal year ending June 30, 2002, including the report of our independent Certified Public Accountants is presented herewith. This report has been prepared by the Allegany County Finance Department in accordance with Article 19 of the Annotated Code of the State of Maryland and with Part I, Chapter 26, Article 26-3 of the Allegany County Code. Allegany County is responsible for the accuracy of this report and the completeness and the fairness of the presentation, including all disclosures. We believe the data, as presented, is accurate in all material respects; it is presented in a manner to fairly show the financial position and results of operations of the County as measured by the financial activity of its various funds; and that all disclosures necessary to enable the reader to gain the maximum understanding of the County's financial affairs have been included.

This report is divided into three sections:

- 1) An introductory section which contains the transmittal letter of the Director of Finance, a list of principal County officials, the Certificate of Achievement for Excellence in Financial Reporting and the County's organizational chart.
- 2) A financial section which includes the auditor's opinion, the Combined Financial Statements, the notes to the Financial Statements and the Combining Financial Statements.
- 3) A statistical section which includes various tables of unaudited data presenting financial, economic, social and demographic information about the County.

The financial statements, the notes to the financial statements, and the statistical schedules included herein pertain primarily to those functions under the jurisdiction of the County Commissioners and are reported as the Primary Government. In addition to those functions administered by the County Commissioners, the financial statements include, to the extent appropriate, the financial operations of the Allegany County Board of Education, the Allegany County Library System, the LaVale Sanitary Commission and Allegany College. These entities are reported as Discretely Presented Component Units. The inclusion of the aforementioned entities in the County CAFR is based on generally accepted accounting principles (GAAP) which conclude that the basis – but not the only criterion – for including an entity in the reporting unit's financial report is the financial accountability exercised by the County over other governmental units. Copies of the independently audited financial reports of the above-mentioned agencies are available from those respective units.

## ECONOMIC CONDITION AND OUTLOOK

The data provided by the Maryland Department of Labor, Licensing and Regulation indicates that the County has had some improvements from calendar year 1996 through 2001 in the areas of Average Annual Employment, Average Weekly Wages and Unemployment Rate.

### Allegany County Progress Review 2001 through 1996

Category	2001	2000	1999	1998	1997	1996	Change
Number Of Employers	1,781	1,860	1,871	1,871	1,868	1,864	-83
Average Annual Employment	29,925	30,111	29,627	29,597	29,506	28,580	+1,345
Average Weekly Wage	\$495	\$477	\$469	\$465	\$457	\$442	+\$53
Unemployment Rate	7.6%	7.8%	7.2%	8.9%	9.9%	8.8%	+ 1.2%

Source: This Review is based on data from the Maryland Department of Labor, Licensing and Regulation, County Industry Series, Annual Report and Monthly Employment, Unemployment Reports. The Reports are available on line at [www.dllr.state.md.us](http://www.dllr.state.md.us).

Clearly the national/international economic decline has affected Allegany County as has the losses experienced by Wall Street investors. In addition the national economic complications resulting from the 9-11 terrorist attacks and the bankruptcies of K-Mart and Ames have had a negative impact on the County. The process of attracting new firms to the area and encouraging existing firms to expand was complicated by the loss of revenues and profits for these firms. Thus the volume of new projects was dramatically reduced during FY 2002.

There were some important exceptions to this trend however. They included the purchase of Kreative Plastics by Quest Industries LLC and their decision to remain in the County in the Frostburg Business Park. Also bucking the trend was Pan Am's Clipper Service from the Cumberland Regional Airport to BWI. These two new investments in the area demonstrated the unique opportunities that remain in the area's economy.

In addition to the new investments, there were a large number of expansions and ongoing construction projects that fueled growth in the community. They included expansions at U.S. Marine Bayliner, ATK Tactical Systems, Northrop Grumman Information Systems and Rehab 1<sup>st</sup>. These various employers were part of a general trend of internal growth that has continued since the end of FY 2002.

Matching the private sector investments, the public sector continued projects that had a positive effect on the community. These included the completion of construction of the Allegany Business Center at Frostburg State University, which is Allegany County's first ever technology based business park. Other construction projects included the ongoing development of the new Compton Science Center on the Campus of Frostburg State University, the State of Maryland North Branch Maximum Security Facility and the ongoing construction projects of the Canal Place Preservation and Development Authority. Planning work remained a high priority for the County's virtual telecom network, Allconet 2 and the new Barton Business Park for Advanced Manufacturing.

## MAJOR INITIATIVES

The major change in Fiscal Year 2002 was the defining in a formal manner the County's development program. This was accomplished through the updating of the County's Comprehensive Plan on April 18, 2002. In this document, the County set forth a clear Mission Statement for the economic development program that focused attention on making the County a location of economic opportunity for quality firms that create quality jobs and defining those terms. It further formalized a Retention and Expansion initiative that give clear preference to those firms already located within the County. In the area of marketing, the Comprehensive Plan update detailed the Targeted Industry Sectors that the marketing efforts would focus on and it detailed the Infrastructure Investments envisions to reach the County's economic development goals.

The final quarter of the fiscal year saw the County's Department of Economic Development initiating a specialization of staff to match the defined areas of activity detailed in the Comprehensive Plan update. This has given clear focus on Retention and Expansion as one area of specialty and Marketing as another. Additional resources and partnerships with the State of Maryland and other counties are being deployed to achieve the goals of these new specialties.

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## FINANCIAL INFORMATION

Allegany County closed the fiscal year ended June 30, 2002 with an undesignated General Fund balance of \$927,162, up from June 30, 2001's balance of \$544,098. Net property taxes increased by 2.8%, or \$743,676. Income tax revenue saw a decrease of \$735,993, a 3.8% reduction.

The State has recognized that eight of the twenty-three Maryland counties and the City of Baltimore should receive a "Targeted Disparity Grant" based on their local income tax revenues per capita being lower than 75% of the Statewide average revenues per capita. Allegany County is one of the eight Counties and in FY 2001 received \$5,099,138 which increased to \$5,264,420 in FY 2002.

### Accounting System and Budgetary Control

The County's financial statements are prepared and its accounting systems are organized and operated on a fund basis, in accordance with generally accepted accounting principles (GAAP) applicable to governmental units. These principles are promulgated by the Governmental Accounting Standards Board (GASB).

The County's financial statements for governmental funds (General, Special Revenue, Capital Projects, and Debt Service) have been prepared on the modified accrual basis of accounting. Revenues on this basis are recognized when measurable and available to finance current expenditures; expenditures are recognized when goods and services are received and liabilities are due and payable. The County's proprietary funds are accounted for on the accrual basis. Revenues on the accrual basis are recognized when earned; expenses are recognized when incurred.

In developing and evaluating the County's accounting system, consideration is given to the adequacy of internal accounting controls. Internal accounting controls are designed to provide reasonable, but not absolute, assurance that: (1) transactions are executed in accordance with management's authorizations; (2) assets are protected against loss from unauthorized use or disposition; and (3) financial records are reliable for preparing financial statements and maintaining accountability for assets and obligations. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefit likely to be achieved; and (2) the valuation of costs and benefits requires estimates and judgments by management. All internal control evaluations made by the auditors and management were made within the above criteria. We believe that the County's internal controls and the financial management system adequately safeguard assets and provide reasonable assurance of proper recording of financial transactions.

### Accounting System and Budgetary Control

The County adopts fiscal year budgets for all governmental funds. Inter-departmental budget amendments must be approved by the Board of Commissioners; Intra-departmental transfers must be approved by the Director of Finance. All budgets are controlled on a line-item basis. Purchase order amounts are encumbered prior to the release of the purchase order to the vendor. When an encumbrance exceeds that available appropriation authority, the purchase order is delayed until the budget is amended. Open encumbrances lapse at year-end and must be reappropriated in the following year. As a result, encumbrances are not reported in the County's annual financial statements.



## FINANCIAL INFORMATION (Continued)

### General Government Functions

The General Fund is the principal operating fund of the County and is used to account for activities not required by law, policy, or financial management, to be accounted for in another fund. General Fund revenues and expenditures for Fiscal Years 2002 and 2001 are summarized below:

<u>Sources of Funds</u>	<u>2002</u>		<u>2001</u>		Percentage Increase (Decrease) 2001-2002
	<u>Actual Amount</u>	<u>Percent of Total</u>	<u>Actual Amount</u>	<u>Percent of Total</u>	
<u>Revenues:</u>					
Property Taxes	\$ 26,949,364	45.39%	\$ 26,205,688	44.14%	2.84%
Local Income taxes	18,441,780	31.06%	19,177,773	32.30%	-3.84%
Other local taxes	1,765,592	2.97%	1,458,068	2.46%	21.09%
Licenses and permits	558,218	0.94%	534,121	0.90%	4.51%
<u>Intergovernmental:</u>					
Federal Funds	1,313,035	2.21%	1,305,970	2.20%	0.54%
State Funds	6,681,272	11.25%	6,240,229	10.51%	7.07%
Other Intergovernmental	19,794	0.03%	20,364	0.03%	-2.80%
Service charges	1,596,298	2.69%	1,623,690	2.73%	-1.69%
Fines and forfeitures	28,727	0.05%	29,382	0.05%	-2.23%
Interest	504,137	0.85%	1,046,616	1.76%	-51.83%
Miscellaneous	441,400	0.74%	955,649	1.61%	-53.81%
Total Operating Revenues	<u>58,299,617</u>	<u>98.20%</u>	<u>58,597,550</u>	<u>98.70%</u>	-0.51%
<u>Other sources:</u>					
Debt/Lease Proceeds	0	0.00%	0	0.00%	
Transfers In	1,068,543	1.80%	855,563	1.44%	24.89%
Total other sources	<u>1,068,543</u>	<u>1.80%</u>	<u>855,563</u>	<u>1.44%</u>	24.89%
Total Revenues and Other Financing Sources	<u>\$ 59,368,160</u>	<u>100.00%</u>	<u>\$ 59,453,113</u>	<u>100.14%</u>	-0.14%
<u>Uses of Funds</u>					
<u>Expenditures:</u>					
General Government	\$ 5,844,282	9.83%	\$ 5,879,131	9.88%	-0.59%
Public Safety	8,211,187	13.80%	7,510,268	12.63%	9.33%
Public Works	1,931,934	3.25%	1,856,758	3.12%	4.05%
Health	291,868	0.49%	299,806	0.50%	-2.65%
Social Services	1,954,528	3.29%	1,846,040	3.10%	5.88%
Recreation & Culture	529,568	0.89%	284,468	0.48%	86.16%
Conservation of Natural Resources	212,488	0.36%	232,807	0.39%	-8.73%
Community Development	174,046	0.29%	166,293	0.28%	4.66%
Economic Development	921,982	1.55%	848,455	1.43%	8.67%
Health Department	923,884	1.55%	868,839	1.46%	6.34%
Miscellaneous	49,054	0.08%	48,197	0.08%	1.78%
Total Expenditures	<u>21,044,821</u>	<u>35.38%</u>	<u>19,841,062</u>	<u>33.36%</u>	6.07%
<u>Operating transfers out:</u>					
To other units:					
Board of Education	25,030,000	42.08%	24,955,556	41.96%	0.30%
Allegany College	5,275,000	8.87%	4,975,600	8.37%	6.02%
Library	740,000	1.24%	721,780	1.21%	2.52%
Information Technology	241,024	0.41%	226,905	0.38%	6.22%
To other funds:					
Highway Fund	1,604,330	2.70%	1,647,981	2.77%	-2.65%
Transit Fund	124,705	0.21%	132,548	0.22%	-5.92%
Housing	177,382	0.30%	143,547	0.24%	23.57%
Narcotics Task Force	16,811	0.03%	14,952	0.03%	12.43%
Debt Service	4,935,779	8.30%	6,170,405	10.37%	-20.01%
Capital Projects	135,668	0.23%	820,831	1.38%	-83.47%
Other Funds	155,500	0.26%	1,545,280	2.60%	
Total operating transfers	<u>38,436,199</u>	<u>64.62%</u>	<u>41,355,385</u>	<u>69.53%</u>	-7.06%
Total Expenditures and other financing uses	<u>\$ 59,481,020</u>	<u>100.00%</u>	<u>\$ 61,196,447</u>	<u>102.88%</u>	-2.80%
Increase (Decrease) in fund balance	<u>\$ (112,860)</u>		<u>(1,743,334)</u>		

## FINANCIAL INFORMATION (Continued)

### Special Revenue Fund Functions

Revenues and other financing sources for the Special Revenue Funds compared to the previous year are summarized below:

Sources of Funds	2002		2001		Percentage Increase (Decrease) 2001-2002
	Actual Amount	Percent of Total	Actual Amount	Percent of Total	
Revenues:					
State shared taxes	\$ 4,207,379	32.76%	\$ 4,108,731	31.99%	2.40%
Other local taxes	76,412	0.59%	81,851	0.64%	-6.65%
Intergovernmental:					
Federal Funds	1,487,660	11.58%	2,454,350	19.11%	-39.39%
State Funds	2,719,904	21.18%	1,536,719	11.96%	76.99%
Other Intergovernmental	69,982	0.54%	27,800	0.22%	151.73%
Service charges	176,479	1.37%	172,816	1.35%	2.12%
Fines and forfeitures	43,281	0.34%	29,149	0.23%	48.48%
Miscellaneous	1,659,337	12.92%	1,510,056	11.76%	9.89%
Total Operating Revenues	10,440,434	81.28%	9,921,472	77.24%	5.23%
Other Sources					
Debt Proceeds	0	0.00%	0	0.00%	
Transfers In	2,403,933	18.72%	2,236,079	17.41%	7.51%
Total other sources	2,403,933	18.72%	2,236,079	17.41%	7.51%
Total Revenues and Other Financing Sources	\$ 12,844,367	100.00%	\$ 12,157,551	94.65%	5.65%

Major expenditure classifications and other financing uses for the Special Revenue Funds, compared to the prior year, are summarized below.

Function:	2002		2001		Percentage Increase (Decrease) 2001-2002
	Actual Amount	Percent of Total	Actual Amount	Percent of Total	
Public Safety	\$ 315,316	2.74%	\$ 385,705	3.36%	-18.25%
Highway	5,805,348	50.50%	6,199,038	53.93%	-6.35%
Other Public Works	845,301	7.35%	817,630	7.11%	3.38%
Social Services	866,874	7.54%	873,938	7.60%	-0.81%
Community Development & Housing	1,311,666	11.41%	1,194,156	10.39%	9.84%
Economic Development	1,050,067	9.13%	2,599,063	22.61%	-59.60%
Total Expenditures	10,194,572	88.69%	12,069,530	105.00%	-15.53%
Operating transfers out:	1,300,420	11.31%	1,300,420	11.31%	0.00%
Total Expenditures and other financing uses	\$ 11,494,992	100.00%	\$ 13,369,950	116.31%	-14.02%

## FINANCIAL INFORMATION (Continued)

### Debt Service

The debt service fund is used to account for the resources obtained and used for payment of interest and principal on general long-term debt. This fund is supported primarily by transfers from the General Fund and the Revolving Building Fund.

Transfers to the Debt Service Fund to retire general obligation debt and Debt Service Expenditures for fiscal year 2002, compared to the previous year, are summarized below.

Sources of Funds	2002		2001		Percentage Increase (Decrease) 2001-2002
	Actual Amount	Percent of Total	Actual Amount	Percent of Total	
Transfers in from:					
General Fund	\$ 4,935,780	31.24%	\$ 6,170,405	81.23%	-20.01%
CDBG Fund	2,284	0.01%	2,284	0.03%	0.00%
Revolving Bldg Fund	1,117,221	7.07%	1,047,500	13.79%	6.66%
Capital Project Funds	59,827	0.38%	188,025	2.48%	-68.18%
Debt Proceeds	9,683,148	61.29%	188,025	2.48%	
Total Sources	<u>\$ 15,798,260</u>	<u>100.00%</u>	<u>\$ 7,596,239</u>	<u>100.00%</u>	107.97%
Function:					
Principal payments	\$ 3,936,483	24.91%	\$ 3,777,228	59.88%	4.22%
Interest payments	2,172,134	13.74%	2,524,096	40.01%	-13.94%
Paying agent fees	6,495	0.04%	6,890	0.11%	-5.73%
Other debt service expenditures	9,689,643	61.31%	0	0.00%	
Total Expenditures	<u>\$ 15,804,755</u>	<u>100.00%</u>	<u>\$ 6,308,214</u>	<u>100.00%</u>	150.54%

The debt activity for the Allegany county Nursing Home, Allegany County Sanitary Districts and the Allegany County Water Districts are included in the appropriate enterprise funds.

### Capital Project Functions

The Capital Projects Funds are used to account for the acquisition and/or construction of general capital improvements and the related funding. Funding may take the form of bond proceeds, grants, reimbursements, and/or general fund transfers. County policy is to budget projects in advance of construction and to transfer from the general fund as necessary to fund the County's portion of capital project costs.

Revenues and other financing sources for the Capital Project Funds, compared to the previous year, are summarized below.

Sources of Funds	2002		2001		Percentage Increase (Decrease) 2001-2002
	Actual Amount	Percent of Total	Actual Amount	Percent of Total	
Revenues:					
Intergovernmental:					
Federal Funds	\$ 1,727,761	24.78%	\$ 1,724,387	44.23%	0.20%
State Funds	3,589,449	51.48%	417,839	10.72%	759.05%
Other Intergovernmental	20,499	0.29%	7,362	0.19%	0.00%
Interest	176,326	2.53%	578,546	14.84%	-69.52%
Miscellaneous	19,412	0.28%	165,370	4.24%	-88.26%
Total Operating Revenues	<u>5,533,447</u>	<u>79.36%</u>	<u>2,893,504</u>	<u>74.22%</u>	91.24%
Other sources:					
Debt Proceeds	322,680	4.63%	0	0.00%	
Transfers In	1,116,704	16.02%	1,004,970	25.78%	11.12%
Total other sources	<u>1,439,384</u>	<u>20.64%</u>	<u>1,004,970</u>	<u>25.78%</u>	43.23%
Total Revenues and Other Financing Sources	<u>\$ 6,972,831</u>	<u>100.00%</u>	<u>\$ 3,898,474</u>	<u>100.00%</u>	78.86%

## FINANCIAL INFORMATION (Continued)

### Capital Project Functions

Expenditures and other financing uses for the Capital Project Funds, compared to the previous year, are summarized below.

Uses of Funds	2002		2001		Percentage Increase (Decrease) 2001-2002
	Actual Amount	Percent of Total	Actual Amount	Percent of Total	
Expenditure by Function:					
General Government	\$ 401,567	3.76%	\$ 306,273	2.99%	31.11%
Public Safety	3,922,846	36.75%	2,572,610	25.13%	52.49%
Public Works	2,793,160	26.17%	1,730,785	16.90%	61.38%
Social Services	0	0.00%	80,000	0.78%	
Education	2,790	0.03%	562,642	5.50%	-99.50%
Recreation & Culture	366,099	3.43%	1,961,754	19.16%	-81.34%
Conservation of Natural Resources	136,340	1.28%	14,377	0.14%	
Economic Development	255,570	2.39%	1,208,397	11.80%	-78.85%
Miscellaneous	290,207	2.72%	188,755	1.84%	53.75%
Total Expenditures	<u>8,168,579</u>	<u>76.53%</u>	<u>8,625,593</u>	<u>84.24%</u>	-5.30%
Operating transfers to:					
Board of Education	1,271,462	11.91%	1,091,128	10.66%	16.53%
Other funds	1,233,107	11.55%	522,313	5.10%	136.09%
Operating transfers out:	<u>2,504,569</u>	<u>23.47%</u>	<u>1,613,441</u>	<u>15.76%</u>	55.23%
Total Expenditures and other financing uses	<u>\$ 10,673,148</u>	<u>100.00%</u>	<u>\$ 10,239,034</u>	<u>100.00%</u>	4.24%

### Enterprise Fund Functions

The County's Enterprise Funds include the County Nursing Home, the Allegany County Water Districts, the Allegany County Sanitary Districts and the County Loan Fund.

Enterprise Funds are used to account for operations which are (a) financed and operated in a manner similar to private business enterprises – where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

### Allegany County Nursing Home

The following is a summary of Nursing Home operations:

	FY 2002	FY 2001	Percentage Increase (Decrease) 2001-2002
Operating Revenues	\$ 8,002,624	\$ 6,699,249	19.46%
Operating Expenses excluding depreciation	<u>7,266,548</u>	<u>6,485,758</u>	12.04%
Operating Income (Loss) before depreciation	736,076	213,491	244.78%
Depreciation Expense	<u>169,550</u>	<u>130,674</u>	29.75%
Operating Income (Loss)	<u>566,526</u>	<u>82,817</u>	584.07%
Non-operating Revenue (Expenses)	<u>208</u>	<u>184</u>	13.04%
Net Income (Loss)	<u>566,734</u>	<u>83,001</u>	582.80%
Retained earnings, beginning	<u>1,390,245</u>	<u>1,307,244</u>	6.35%
Retained earnings, ending	<u>\$ 1,956,979</u>	<u>\$ 1,390,245</u>	

**FINANCIAL INFORMATION (Continued)****Enterprise Fund Functions – (continued)****Allegany County Sanitary Districts**

The following is a summary of the Sanitary Districts operations:

	<b>FY 2002</b>	<b>FY 2001</b>	<b>Percentage Increase (Decrease) 2001-2002</b>
Operating Revenues	\$ 4,341,901	\$ 4,522,301	-3.99%
Operating Expenses excluding depreciation	3,857,380	3,791,304	1.74%
Operating Income (Loss) before depreciation	484,521	730,997	-33.72%
Depreciation Expense	1,431,791	1,460,318	-1.95%
Operating Income (Loss)	(947,270)	(729,321)	29.88%
Non-operating Revenue (Expenses)	804,993	398,088	102.21%
Net Income (Loss)	(142,277)	(331,233)	-57.05%
Residual equity transfer	(2,363,659)		
Retained earnings, beginning	41,404,964	41,736,197	-0.79%
Change in Retained Earnings	\$ 38,899,028	\$ 41,404,964	-6.05%

**Enterprise Fund Function – (continued)****Allegany County Water Districts**

The following is a summary of the Water Districts operations:

	<b>FY 2002</b>	<b>FY 2001</b>	<b>Percentage Increase (Decrease) 2001-2002</b>
Operating Revenues	\$ 1,024,746	\$ 731,879	40.02%
Operating Expenses excluding depreciation	826,387	682,149	21.14%
Operating Income (Loss) before depreciation	198,359	49,730	298.87%
Depreciation Expense	414,513	293,527	41.22%
Operating Income (Loss)	(216,154)	(243,797)	-11.34%
Non-operating Revenue (Expenses)	592,386	585,802	1.12%
Net Income (Loss)	376,232	342,005	10.01%
Transfer -in	0	60,428	
Residual equity transfer	2,363,659	0	
Retained earnings, beginning	8,703,699	8,301,266	4.85%
Retained earnings, ending	\$ 11,443,590	\$ 8,703,699	

## FINANCIAL INFORMATION (Continued)

### Enterprise Fund Function – (continued)

#### Allegany County Loan Fund

The Allegany County Loan Fund was established in FY 1991 to account for those non- traditional long-term loans made to other funds and outside entities.

The following is a summary of the Allegany County Loan Fund operations:

	<u>FY 2002</u>	<u>FY 2001</u>	<u>Percentage Increase (Decrease) 2001-2002</u>
Operating Revenues	\$ 174,839	\$ 196,674	-11.10%
Operating Expenses	-	-	
Operating Income (Loss)	174,839	196,674	-11.10%
Non-operating Revenue (Expenses)	-	-	
Net Income (Loss)	174,839	196,674	-11.10%
Operating transfers in	152,000	1,457,950	-89.57%
Operating transfers out	(902,907)	(724,927)	24.55%
Change in Retained Earnings	\$ (576,068)	\$ 929,697	
Retained earnings, beginning	5,367,847	4,438,150	20.95%
Retained earnings, ending	<u>4,791,779</u>	<u>5,367,847</u>	

#### Cash Management

Expenditures for all funds, except those required by law or agreement, are made from one bank account to maximize investment income and for efficient operation of the accounting system.

The County's investment policy is to minimize risk while achieving a competitive yield on its cash balances. Deposits were either insured by federal depository insurance or collateralized. All collateral on deposits was held by the County's agent in the County's name. All investments of the County were classified in the lowest risk category as defined by the Governmental Accounting Standards Board.

#### Risk Management

Allegany County retains an insurance advisor who monitors health and life insurance coverage. Periodical inspections of County buildings and property by the insurance carriers ensure the property levels of liability and building and contents coverage. The County's exposure to risk is limited to immaterial deductible amounts.

#### Debt Management

At June 30, 2002, Allegany County had debt outstanding of \$52,396,467 compared to \$55,694,766 at June 30, 2001, a decrease of \$3,298,299. The debt included \$44,257,305 of general obligation debt and \$8,139,162 of revenue debt supported by user charges and special assessments. This debt does not include amounts estimated to be payable for compensated absences. Allegany County issued \$9,735,000 in general obligation debt in fiscal year 2002, primarily to refund prior bond issues and revenue debt of \$600,000 to construct the Grahams town Water System.

The County issued \$9,735,000 of general obligation bonds to refund all, or portions of, various public improvement bonds and to pay the costs of issuing the bonds. The proceeds of the bonds were applied to the purchase of non-callable direct obligations of the United States of America and are held in trust by an escrow agent. As a result, the refunded bonds are considered defeased and the liability was removed from the County's balance sheet in fiscal year 2002. The advance refunding was undertaken to reduce total debt service payments over the next 16 years by \$532,033 and to obtain an economic gain (the difference between the present value of the debt service payments of the refunded and refunding bonds) of \$439,785.

## Debt Management (Continued)

The County had a Debt Affordability Study prepared in Fiscal Year 1995 by H. C. Wainwright & Co., Inc. The study was initiated to establish a framework for reviewing the County's debt capacity, to develop debt policies and to review the County's current debt level. Because of conservative financial management, aggressive payback schedules and prudent budgeting, the County's debt position was rated favorably in a peer group analysis. The study also recommended the County adopt "Standards of Debt Affordability" to be used as guidelines for managing and issuing debt. Allegany County chose to adopt the guidelines. The current debt load as well as requested projects are entered into the debt model to determine if the county can afford the increased debt service. This is currently done as part of the budget process.

## OTHER INFORMATION

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### Independent Audit

Part I, Chapter 26, Article 26-3 of the Allegany County Code requires an annual audit of the County's financial records by an independent auditor. In this report, the firm of Turnbull, Hoover and Kahl, P.A., Certified Public Accounts, expresses their opinion that the County's combined financial statements present fairly the financial position of the funds and account groups in conformity with generally accepted accounting principles.

### Awards

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Allegany County for its comprehensive annual financial report for the fiscal year ended June 30, 2001. This was the tenth consecutive year that the government has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement program's requirements, and we are submitting it to GFOA to determine its eligibility for another certificate.

### Acknowledgments

I wish to acknowledge the support and interest of the Board of County Commissioners and the County Administrator in the recording and reporting of financial matters. It is of the utmost importance that the accounting functions have this backing. I also want to express my appreciation to W. Jay George, CPA, Assistant Director of Finance and the entire staff of the Finance Office for their cooperation, dedication and professionalism in the preparation of this report. In conclusion, I want to acknowledge the efforts of the many County employees that support the accounting function.

Respectfully submitted,

Jerry L. Frantz, CPA  
Director of Finance

**Allegany County, Maryland  
Summary of Certain Officials  
June 30, 2002**

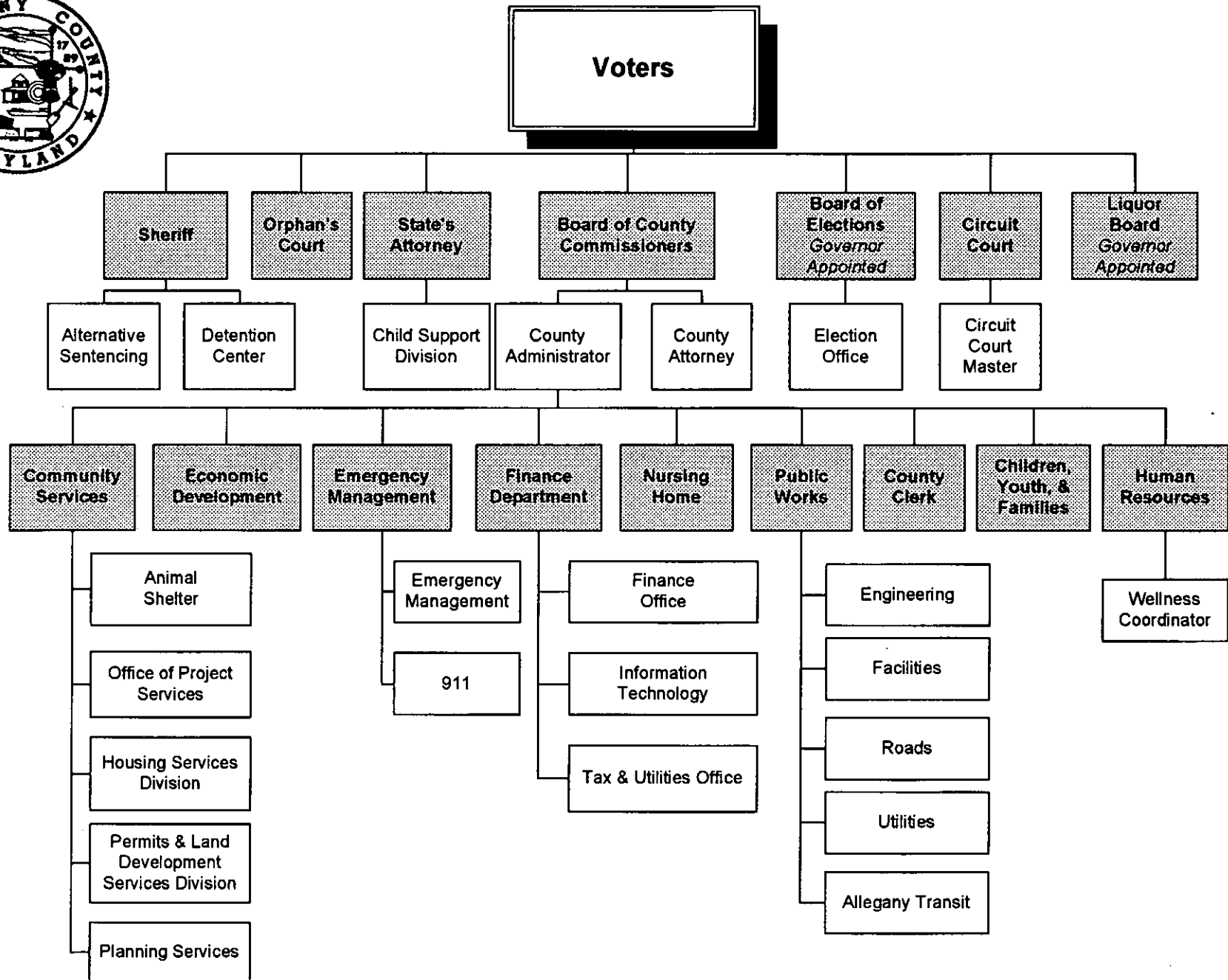
**Board of Commissioners**

**Dale R. Lewis, President  
James J. Stakem, Commissioner  
Robert M. Hutcheson, Commissioner**

County Administrator	Vance C. Ishler
Clerk of the Board	Carol A. Gaffney
Director of Finance	Jerry L. Frantz, CPA
Director of Public Works	W. Stephen Young, P.E.
Director of Community Services	David A. Eberly
Planning Division Chief	Benjamin R. Sansom
Director of Economic Development	Thomas E. Cooley
Director of Interagency Data Processing	Dennis M. Shankle
Acting Director of Human Resources & Personnel Services	Debra A. Amyot
Sheriff	David A. Goad
State's Attorney	Barry R. Levine, Esquire
County Attorney	William M. Rudd, Esquire
Election Administrator	Catherine O. Davis
Health Officer	Edward F. Dressman



# Allegany County, Maryland Organizational Chart



# Certificate of Achievement for Excellence in Financial Reporting

Presented to

Allegany County,  
Maryland

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended  
June 30, 2001

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



*Timothy A. Howe*  
President

*Jeffrey L. Esser*  
Executive Director

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# **COMBINED FINANCIAL STATEMENTS**

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The Combined Statements provide  
a summary overview of the  
financial position of all funds and  
account groups and the  
operating results of all funds.

**TURNBULL, HOOVER & KAHL, P.A.**

CERTIFIED PUBLIC ACCOUNTANTS

222 WASHINGTON STREET

CUMBERLAND, MARYLAND 21502

PHONE; (301) 759-3270

FAX; (301) 724-1480

MEMBERAMERICAN INSTITUTE OF  
CERTIFIED PUBLIC ACCOUNTANTS  
MARYLAND ASSOCIATION OF  
CERTIFIED PUBLIC ACCOUNTANTSDAVID W. TURNBULL, CPA  
RICHARD J. HOOVER, CPA  
BERNARD B. KAHL, CPABoard of Allegany County Commissioners  
County Office Complex  
701 Kelly Road  
Cumberland, Maryland**INDEPENDENT AUDITOR'S REPORT**

We have audited the accompanying general purpose financial statements of Allegany County, Maryland (the County) as of and for the year ended June 30, 2002, as listed in the accompanying table of contents. These general purpose financial statements are the responsibility of the County's management. Our responsibility is to express an opinion on these general purpose financial statements based on our audit. We did not audit the financial statements of the Allegany County Board of Education or the LaVale Sanitary Commission which account for the following percentages in the combined financial statements:

	<u>Percentage of Assets</u>	<u>Percentage of Revenues</u>
Allegany County Board of Education	34.9	41.5
LaVale Sanitary Commission	2.3	1.9

The financial statements of these entities were audited by other auditors whose reports thereon have been furnished to us, and our opinion, insofar as it relates to the amounts included for Allegany County Board of Education and LaVale Sanitary Commission is based solely on the reports of the other auditors.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose financial statements. An audit includes assessing the accounting principles used and significant estimates made by management, as well as

evaluating the overall general purpose financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, based upon our audit and the reports of other auditors, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of Allegany County, Maryland as of June 30, 2002 and the results of its operations and the cash flows of its proprietary fund type for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued a report dated November 6, 2002 on our consideration of Allegany County's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Our audit was conducted for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The combining and individual fund financial statements and schedules (pages 47 to 91) listed in the foregoing table of contents are presented for purposes of additional analysis and are not a required part of the general purpose financial statements of Allegany County, Maryland. Such information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in our opinion, based upon our audit and the reports of other auditors, is fairly stated in all material respects in relation to the general purpose financial statements taken as a whole.

*Turnbull, Hoover & Kahl, P.C.*

November 6, 2002

**ALLEGANY COUNTY, MARYLAND  
COMBINED BALANCE SHEET  
ALL FUND TYPES, ACCOUNT GROUPS AND  
DISCRETELY PRESENTED COMPONENT UNITS  
June 30, 2002**

	GOVERNMENTAL FUND TYPES				PROPRIETARY FUND TYPE	FIDUCIARY FUND TYPE	ACCOUNT GROUPS		Totals- Memorandum Only	Discretely Presented Component Units	Totals- Memorandum Only
	General	Special Revenue	Debt Service	Capital Projects	Enterprise	Agency	General Fixed Assets	General Long- Term Debt	Primary Government		Reporting Entity
<b>ASSETS:</b>											
Current Assets:											
Cash:											
Cash	\$ 5,236,076	\$ 89,770	\$ -	\$ 1,364,181	\$ 359,433	\$ -	\$ -	\$ -	\$ 7,049,460	\$ 12,273,403	\$ 19,322,863
Cash-LaVale Sanitary Commission	-	-	-	-	-	-	-	-	0	819,140	819,140
Cash - restricted	-	102,298	-	1,450	213,513	-	-	-	317,261	-	317,261
Investments	4,400,000	1,499,468	-	3,230,252	371,563	-	-	-	9,501,283	8,624,346	18,125,629
Property taxes receivable	3,106,538	-	-	-	-	-	-	-	3,106,538	52,974	3,159,512
Taxes receivable - State	-	-	-	-	-	207,971	-	-	207,971	-	207,971
Receivables:											
Accounts, net	-	-	-	-	4,718,093	-	-	-	4,718,093	1,138,908	5,857,001
Intergovernmental	-	-	-	-	-	227,405	-	-	227,405	4,547,213	4,774,618
Notes and loans	-	302,271	-	-	-	-	-	-	302,271	-	302,271
Taxes - restricted	-	-	-	-	54,206	-	-	-	54,206	-	54,206
Accounts (net) - restricted	-	-	-	-	169,441	-	-	-	169,441	-	169,441
Other	3,239,747	817,147	-	1,174,674	240,708	-	-	-	5,472,276	433,997	5,906,273
Due from other funds	-	3,264,912	1,400,000	-	3,087,867	110,225	-	-	7,863,004	1,786,987	9,649,991
Noncurrent Assets:											
Advances to other funds	1,638,422	-	-	-	1,915,713	-	-	-	3,554,135	-	3,554,135
General fixed assets	-	-	-	-	-	-	85,148,114	-	85,148,114	157,082,188	242,230,302
Property, plant and equipment	-	-	-	-	89,216,479	-	-	-	89,216,479	14,004,322	103,220,801
Construction in Progress	-	-	-	-	556,377	-	-	-	556,377	251,931	808,308
Less: Accumulated depreciation	-	-	-	-	(29,655,655)	-	(40,139,114)	-	(69,794,769)	(6,631,620)	(76,426,389)
Amount available in debt service fund	-	-	-	-	-	-	-	1,400,000	1,400,000	-	1,400,000
Amount to be provided for retirement of long term debt	-	-	-	-	-	-	-	45,720,694	45,720,694	2,712,086	48,432,780
Miscellaneous Assets:											
Inventories, at cost	-	17,696	-	-	154,833	-	-	-	172,529	568,953	741,482
Prepaid expenses/expenditures	66,911	71,872	-	-	14,791	-	-	-	153,574	112,982	266,556
<b>TOTAL ASSETS</b>	<b>\$ 17,687,694</b>	<b>\$ 6,165,434</b>	<b>\$ 1,400,000</b>	<b>\$ 5,770,557</b>	<b>\$ 71,417,362</b>	<b>\$ 545,601</b>	<b>\$ 45,009,000</b>	<b>\$ 47,120,694</b>	<b>\$ 195,116,342</b>	<b>\$ 197,777,810</b>	<b>\$ 392,894,152</b>

(Continued)

The accompanying Notes to the Financial Statements are an integral part of these statements.

**ALLEGANY COUNTY, MARYLAND  
COMBINED BALANCE SHEET  
ALL FUND TYPES, ACCOUNT GROUPS AND  
DISCRETELY PRESENTED COMPONENT UNITS  
June 30, 2002**

	GOVERNMENTAL FUND TYPES				PROPRIETARY FUND TYPE	FIDUCIARY FUND TYPE	ACCOUNT GROUPS		Totals- Memorandum Only	Discretely Presented Component Units	Totals- Memorandum Only
	General	Special Revenue	Debt Service	Capital Projects	Enterprise	Agency	General Fixed Assets	General Long- Term Debt	Primary Government		Reporting Entity
<b>LIABILITIES:</b>											
Current Liabilities:											
Accounts payable	\$ 773,697	\$ 694,470	\$ -	\$ 1,495,093	\$ 795,884	\$ 337,630	\$ -	\$ -	\$ 4,096,774	\$ 4,004,571	\$ 8,101,345
Accrued payroll	371,789	122,383	-	-	184,337	-	-	-	678,509	8,698,118	9,376,627
Accrued payroll fringe	131,213	53,421	-	-	70,287	-	-	-	254,921	-	254,921
Accrued interest	-	-	-	-	74,654	-	-	-	74,654	-	74,654
Current portion of long term debt:											
Revenue debt:											
Bonds & loans	-	-	-	-	236,794	-	-	-	236,794	-	236,794
Advances from other funds	-	-	-	-	408,995	-	-	-	408,995	-	408,995
Due to other funds	3,686,235	257,150	-	1,386,926	2,532,693	-	-	-	7,863,004	1,786,987	9,649,991
Taxes levied for the state	-	-	-	-	-	207,971	-	-	207,971	-	207,971
Noncurrent liabilities:											
Cash advance due to General Fund	-	-	-	-	1,638,422	-	-	-	1,638,422	-	1,638,422
Long term debt:											
General obligation debt:											
Bonds, loans	-	-	-	-	-	-	-	35,115,000	35,115,000	-	35,115,000
Notes	-	-	-	-	-	-	-	1,013,492	1,013,492	-	1,013,492
Leases payable	-	-	-	-	-	-	-	82,761	82,761	400,728	483,489
State loans	-	-	-	-	-	-	-	8,046,052	8,046,052	-	8,046,052
Revenue debt:											
Bonds & loans	-	-	-	-	5,986,656	-	-	-	5,986,656	-	5,986,656
Advances from other funds	-	-	-	-	1,506,717	-	-	-	1,506,717	-	1,506,717
Compensated absences	-	-	-	-	662,192	-	-	2,863,389	3,525,581	2,712,086	6,237,667
Miscellaneous Liabilities:											
Amounts held in escrow	181,924	203,802	-	-	-	-	-	-	385,726	99,116	484,842
Deferred revenues	2,546,781	671,923	-	-	-	-	-	-	3,218,704	1,151,737	4,370,441
Miscellaneous	97,365	5,602	-	-	228,355	-	-	-	331,322	-	331,322
<b>TOTAL LIABILITIES</b>	<b>7,789,004</b>	<b>2,008,751</b>	<b>0</b>	<b>2,882,019</b>	<b>14,325,986</b>	<b>545,601</b>	<b>0</b>	<b>47,120,694</b>	<b>74,672,055</b>	<b>18,853,343</b>	<b>93,525,398</b>

(Continued)

The accompanying Notes to the Financial Statements are an integral part of these statements.



**ALLEGANY COUNTY, MARYLAND**  
**COMBINED BALANCE SHEET**  
**ALL FUND TYPES, ACCOUNT GROUPS AND**  
**DISCRETELY PRESENTED COMPONENT UNITS**  
**June 30, 2002**

	GOVERNMENTAL FUND TYPES				PROPRIETARY FUND TYPE	FIDUCIARY FUND TYPE	ACCOUNT GROUPS		Totals- Memorandum Only	Discretely Presented Component Units	Totals- Memorandum Only
	General	Special Revenue	Debt Service	Capital Projects	Enterprise	Agency	General Fixed Assets	General Long- Term Debt	Primary Government		Reporting Entity
<b>FUND EQUITY AND OTHER CREDITS</b>											
Investment in general fixed assets	-	-	-	-	-	-	45,009,000	-	45,009,000	156,760,076	201,769,076
Contributed capital	-	-	-	-	42,797,003	-	-	-	42,797,003	533,693	43,330,696
Retained earnings	-	-	-	-	14,294,373	-	-	-	14,294,373	9,169,510	23,463,883
Fund Balance:											
Reserved for non-current assets	1,638,421	297,432	-	-	-	-	-	-	1,935,853	-	1,935,853
Reserved for prepaid items	66,911	71,872	-	-	-	-	-	-	138,783	-	138,783
Reserved for fund purposes	-	1,210,452	-	142,991	-	-	-	-	1,353,443	1,428,355	2,781,798
Reserved for inventories	-	17,696	-	-	-	-	-	-	17,696	272,371	290,067
Unreserved:											
Designated for next fiscal year	1,886,196	480,751	-	1,624,077	-	-	-	-	3,991,024	-	3,991,024
Designated for contingencies	5,000,000	-	-	-	-	-	-	-	5,000,000	-	5,000,000
Designated for specific programs	380,000	-	1,400,000	2,280,364	-	-	-	-	4,060,364	7,455,390	11,515,754
Undesignated	927,162	2,078,480	-	(1,158,894)	-	-	-	-	1,846,748	3,305,072	5,151,820
<b>TOTAL EQUITY AND OTHER CREDITS</b>	<b>9,898,690</b>	<b>4,156,683</b>	<b>1,400,000</b>	<b>2,888,538</b>	<b>57,091,376</b>	<b>0</b>	<b>45,009,000</b>	<b>0</b>	<b>120,444,287</b>	<b>178,924,467</b>	<b>299,368,754</b>
<b>TOTAL LIABILITIES, EQUITY AND OTHER CREDITS</b>	<b>\$ 17,687,694</b>	<b>\$ 6,165,434</b>	<b>\$ 1,400,000</b>	<b>\$ 5,770,557</b>	<b>\$ 71,417,362</b>	<b>\$ 545,601</b>	<b>\$ 45,009,000</b>	<b>\$ 47,120,694</b>	<b>\$ 195,116,342</b>	<b>\$ 197,777,810</b>	<b>\$ 392,894,152</b>

The accompanying Notes to the Financial Statements are an integral part of these statements.

**ALLEGANY COUNTY, MARYLAND**  
**COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES/EQUITY**  
**ALL GOVERNMENTAL FUND TYPES AND DISCRETELY PRESENTED COMPONENT UNITS**  
**FOR THE YEAR ENDED JUNE 30, 2002**

	PRIMARY GOVERNMENT				Totals- Memorandum Only	Discretely Presented Component Units	Totals- Memorandum Only
	General	Special Revenue	Debt Service	Capital Projects	Primary Government		Reporting Entity
<b>REVENUES:</b>							
Taxes	\$ 47,156,736	\$ 4,283,791	\$ -	\$ -	\$ 51,440,527	\$ -	\$ 51,440,527
Licenses and permits	558,218	-	-	-	558,218	-	558,218
Intergovernmental	8,014,101	4,277,546	-	5,337,709	17,629,356	61,278,267	78,907,623
Service charges	1,596,298	176,479	-	-	1,772,777	41,730	1,814,507
Fines and forfeitures	28,727	43,281	-	-	72,008	-	72,008
Miscellaneous	945,537	1,659,337	-	195,738	2,800,612	5,909,169	8,709,781
Total Revenues	<u>58,299,617</u>	<u>10,440,434</u>	<u>0</u>	<u>5,533,447</u>	<u>74,273,498</u>	<u>67,229,166</u>	<u>141,502,664</u>
<b>OTHER FINANCING SOURCES:</b>							
Debt proceeds	-	-	9,683,148	322,680	10,005,828	-	10,005,828
Transfers from other funds	1,068,543	2,403,933	6,115,112	1,116,704	10,704,292	977,084	11,681,376
Transfers from primary gov't	-	-	-	-	0	27,282,486	27,282,486
Total Other Financing Sources	<u>1,068,543</u>	<u>2,403,933</u>	<u>15,798,260</u>	<u>1,439,384</u>	<u>20,710,120</u>	<u>28,259,570</u>	<u>48,969,690</u>
Total Revenues and Other Financing Sources	<u>59,368,160</u>	<u>12,844,367</u>	<u>15,798,260</u>	<u>6,972,831</u>	<u>94,983,618</u>	<u>95,488,736</u>	<u>190,472,354</u>
<b>EXPENDITURES:</b>							
General government	5,844,282	-	-	401,567	6,245,849	-	6,245,849
Public safety	8,211,187	315,316	-	3,922,846	12,449,349	-	12,449,349
Public works	1,931,934	6,650,649	-	2,793,160	11,375,743	-	11,375,743
Health and hospitals	291,868	-	-	0	291,868	-	291,868
Social services	1,954,528	866,874	-	-	2,821,402	-	2,821,402
Education	6,872	-	-	2,790	9,662	90,117,338	90,127,000
Recreation, culture and libraries	529,568	-	-	366,099	895,667	-	895,667
Libraries	-	-	-	-	0	1,585,144	1,585,144
Conservation of natural resources	212,488	-	-	136,340	348,828	-	348,828
Community devel & housing	174,046	1,311,666	-	-	1,485,712	-	1,485,712
Economic development	921,982	1,050,067	-	255,570	2,227,619	-	2,227,619
Debt service	-	-	15,798,260	-	15,798,260	-	15,798,260
Intergovernmental	961,388	-	-	-	961,388	-	961,388
Miscellaneous	4,678	-	-	290,207	294,885	-	294,885
Total expenditures	<u>21,044,821</u>	<u>10,194,572</u>	<u>15,798,260</u>	<u>8,168,579</u>	<u>55,206,232</u>	<u>91,702,482</u>	<u>146,908,714</u>
<b>OTHER FINANCING USES:</b>							
Transfers to other funds	7,150,175	1,570,103	-	1,233,107	9,953,385	977,084	10,930,469
Transfers to component units	31,286,024	-	-	1,271,462	32,557,486	-	32,557,486
Total Other Financing Uses	<u>38,436,199</u>	<u>1,570,103</u>	<u>0</u>	<u>2,504,569</u>	<u>42,510,871</u>	<u>977,084</u>	<u>43,487,955</u>
Total Expenditures and Other Financing Uses	<u>59,481,020</u>	<u>11,764,675</u>	<u>15,798,260</u>	<u>10,673,148</u>	<u>97,717,103</u>	<u>92,679,566</u>	<u>190,396,669</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	(112,860)	1,079,692	0	(3,700,317)	(2,733,485)	2,809,170	75,685
Net income (loss) from proprietary type activities before operating transfers	-	-	-	-	0	(255,500)	(255,500)
Prior period adjustment	-	-	-	-	0	57,638	57,638
Fund balance/equity, beginning	10,011,550	3,076,991	1,400,000	6,588,855	21,077,396	6,901,884	27,979,280
Fund balance/equity, ending	<u>\$ 9,898,690</u>	<u>\$ 4,156,683</u>	<u>\$ 1,400,000</u>	<u>\$ 2,888,538</u>	<u>\$ 18,343,911</u>	<u>\$ 9,513,192</u>	<u>\$ 27,857,103</u>

The accompanying Notes to the Financial Statements are an integral part of these statements.

**ALLEGANY COUNTY, MARYLAND**  
**COMBINED STATEMENT OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCES - BUDGET AND ACTUAL**  
**ALL GOVERNMENTAL FUND TYPES**  
**FOR THE YEAR ENDED JUNE 30, 2002**

	GENERAL FUND			SPECIAL REVENUE FUNDS		
	Amended		Variance	Amended		Variance
REVENUES:	Budget	Actual	Favorable (Unfavorable)	Budget	Actual	Favorable (Unfavorable)
Taxes	\$ 46,344,260	\$ 47,156,736	\$ 812,476	\$ 4,284,362	\$ 4,283,791	\$ (571)
Licenses and permits	510,300	558,218	47,918	-	-	0
Intergovernmental	8,173,845	8,014,101	(159,744)	5,836,094	4,277,546	(1,558,548)
Service charges	1,927,904	1,596,298	(331,606)	183,500	176,479	(7,021)
Fines and forfeitures	25,600	28,727	3,127	30,700	43,281	12,581
Miscellaneous	1,229,107	945,537	(283,570)	1,538,158	1,659,337	121,179
Total Revenues	<u>58,211,016</u>	<u>58,299,617</u>	<u>88,601</u>	<u>11,872,814</u>	<u>10,440,434</u>	<u>(1,432,380)</u>
<b>OTHER FINANCING SOURCES:</b>						
Unexpended fund balance	1,667,585	-	(1,667,585)	632,602	-	(632,602)
Debt proceeds	-	-	0	358,000	-	(358,000)
Transfers from other funds	968,804	1,068,543	99,739	1,973,859	2,403,933	430,074
Total Other Financing Sources	<u>2,636,389</u>	<u>1,068,543</u>	<u>(1,567,846)</u>	<u>2,964,461</u>	<u>2,403,933</u>	<u>(560,528)</u>
Total Revenues and Other Financing Sources	<u>60,847,405</u>	<u>59,368,160</u>	<u>(1,479,245)</u>	<u>14,837,275</u>	<u>12,844,367</u>	<u>(1,992,908)</u>
<b>EXPENDITURES:</b>						
General government	6,328,444	5,844,282	484,162	-	-	0
Public safety	8,894,478	8,211,187	683,291	567,210	315,316	251,894
Public works	1,916,972	1,931,934	(14,962)	7,479,301	6,650,649	828,652
Health and hospitals	309,351	291,868	17,483	-	-	0
Social services	1,938,490	1,954,528	(16,038)	1,623,878	866,874	757,004
Education	500	6,872	(6,372)	-	-	0
Recreation, culture and libraries	673,222	529,568	143,654	-	-	0
Conservation of natural resources	217,654	212,488	5,166	-	-	0
Community devel & housing	179,842	174,046	5,796	1,655,907	1,311,666	344,241
Economic development	992,580	921,982	70,598	2,243,568	1,050,067	1,193,501
Debt service	-	-	0	-	-	0
Intergovernmental	976,285	961,388	14,897	-	-	0
Miscellaneous	31,077	4,678	26,399	-	-	0
Total expenditures	<u>22,458,895</u>	<u>21,044,821</u>	<u>1,414,074</u>	<u>13,569,864</u>	<u>10,194,572</u>	<u>3,375,292</u>
<b>OTHER FINANCING USES:</b>						
Transfers to other funds	7,102,486	7,150,175	(47,689)	1,267,411	1,570,103	(302,692)
Transfers to component units	31,286,024	31,286,024	0	-	-	0
Total Other Financing Uses	<u>38,388,510</u>	<u>38,436,199</u>	<u>(47,689)</u>	<u>1,267,411</u>	<u>1,570,103</u>	<u>(302,692)</u>
Total Expenditures and Other Financing Uses	<u>60,847,405</u>	<u>59,481,020</u>	<u>1,366,385</u>	<u>14,837,275</u>	<u>11,764,675</u>	<u>3,072,600</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	<u>\$ 0</u>	<u>(112,860)</u>	<u>\$ (112,860)</u>	<u>\$ 0</u>	<u>1,079,692</u>	<u>\$ 1,079,692</u>
Fund balance, beginning		<u>10,011,550</u>			<u>3,076,991</u>	
Fund balance, ending		<u>\$ 9,898,690</u>			<u>\$ 4,156,683</u>	

(Continued)

The accompanying Notes to the Financial Statements are an integral part of these statements.

**ALLEGANY COUNTY, MARYLAND**  
**COMBINED STATEMENT OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCES - BUDGET AND ACTUAL**  
**ALL GOVERNMENTAL FUND TYPES**  
**FOR THE YEAR ENDED JUNE 30, 2002**

	DEBT SERVICE FUND			CAPITAL PROJECTS FUND		
	Amended		Variance	Amended		Variance
	Budget	Actual	Favorable (Unfavorable)	Budget	Actual	Favorable (Unfavorable)
<b>REVENUES:</b>						
Taxes	\$ -	\$ -	\$ 0	\$ -	\$ -	\$ 0
Licenses and permits	-	-	0	-	-	0
Intergovernmental	-	-	0	9,969,000	5,337,709	(4,631,291)
Service charges	-	-	0	-	-	0
Fines and forfeitures	-	-	0	-	-	0
Miscellaneous	-	-	0	22,400	195,738	173,338
Total Revenues	0	0	0	9,991,400	5,533,447	(4,457,953)
<b>OTHER FINANCING SOURCES:</b>						
Unexpended fund balance	-	-	0	3,874,822	-	(3,874,822)
Debt proceeds	-	9,683,148	9,683,148	166,000	322,680	156,680
Transfers from other funds	6,265,150	6,115,112	(150,038)	125,000	1,116,704	991,704
Total Other Financing Sources	6,265,150	15,798,260	9,533,110	4,165,822	1,439,384	(2,726,438)
Total Revenues and Other Financing Sources	6,265,150	15,798,260	9,533,110	14,157,222	6,972,831	(7,184,391)
<b>EXPENDITURES:</b>						
General government	-	-	0	1,350,000	401,567	948,433
Public safety	-	-	0	4,196,000	3,922,846	273,154
Public works	-	-	0	2,774,000	2,793,160	(19,160)
Health and hospitals	-	-	0	-	-	0
Social services	-	-	0	-	-	0
Education	-	-	0	58,810	2,790	56,020
Recreation, culture and libraries	-	-	0	75,000	366,099	(291,099)
Conservation of natural resources	-	-	0	864,000	136,340	727,660
Community devel & housing	-	-	0	-	-	0
Economic development	-	-	0	3,794,400	255,570	3,538,830
Debt service	6,262,699	15,798,260	(9,535,561)	-	-	0
Intergovernmental	-	-	0	-	-	0
Miscellaneous	-	-	0	-	290,207	(290,207)
Total expenditures	6,262,699	15,798,260	(9,535,561)	13,112,210	8,168,579	4,943,631
<b>OTHER FINANCING USES:</b>						
Transfers to other funds	-	-	0	169,012	1,233,107	(1,064,095)
Transfers to component units	-	-	0	876,000	1,271,462	(395,462)
Total other financing uses	0	0	0	1,045,012	2,504,569	(1,459,557)
Total Expenditures and Other Financing Uses	6,262,699	15,798,260	(9,535,561)	14,157,222	10,673,148	3,484,074
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	\$ 2,451	0	\$ (2,451)	\$ 0	(3,700,317)	\$ (3,700,317)
Fund balance, beginning		1,400,000			6,588,855	
Fund balance, ending		\$ 1,400,000			\$ 2,888,538	

The accompanying Notes to the Financial Statements are an integral part of these statements.

**ALLEGANY COUNTY, MARYLAND  
COMBINED STATEMENT OF REVENUES, EXPENSES  
AND CHANGES IN RETAINED EARNINGS  
PROPRIETARY FUND TYPE - ENTERPRISE FUNDS  
AND DISCRETELY PRESENTED COMPONENT UNIT  
FOR THE YEAR ENDED JUNE 30, 2002**

	Primary Government Enterprise Funds	Component Unit LaVale Sanitary Commission	Totals- Memorandum Only Reporting Entity
<b><u>OPERATING REVENUES:</u></b>			
Service Charges	\$ 5,236,497	\$ 2,293,960	\$ 7,530,457
Patient fees	7,945,256	-	7,945,256
Miscellaneous	362,357	14,618	376,975
Total Operating Revenues	<u>13,544,110</u>	<u>2,308,578</u>	<u>15,852,688</u>
<b><u>OPERATING EXPENSES:</u></b>			
Salaries	4,613,883	392,013	5,005,896
Employee benefits	1,715,761	234,348	1,950,109
Office expenses	173,501	13,020	186,521
Utilities	1,795,272	56,171	1,851,443
Repairs and maintenance	352,740	94,509	447,249
Contractual services	60,259	-	60,259
Treatment costs	1,050,753	1,418,607	2,469,360
Professional services	535,267	117,420	652,687
Materials & supplies	985,865	-	985,865
Insurance	139,682	22,472	162,154
Indirect Costs	483,373	-	483,373
Miscellaneous	43,959	6,361	50,320
Depreciation	2,015,854	355,088	2,370,942
Total Operating Expenses	<u>13,966,169</u>	<u>2,710,009</u>	<u>16,676,178</u>
Operating Income (Loss)	<u>(422,059)</u>	<u>(401,431)</u>	<u>(823,490)</u>

(continued)

The accompanying Notes to the Financial Statements  
are an integral part of these statements.

**ALLEGANY COUNTY, MARYLAND  
COMBINED STATEMENT OF REVENUES, EXPENSES  
AND CHANGES IN RETAINED EARNINGS  
PROPRIETARY FUND TYPE - ENTERPRISE FUNDS  
AND DISCRETELY PRESENTED COMPONENT UNIT  
FOR THE YEAR ENDED JUNE 30, 2002**

	Primary Government Enterprise Funds	Component Unit LaVale Sanitary Commission	Totals- Memorandum Only Reporting Entity
<b><u>OPERATING INCOME (LOSS)</u></b>	\$ (422,059)	\$ (401,431)	\$ (823,490)
<b><u>NON-OPERATING REVENUE (EXPENSES):</u></b>			
Real and personal property taxes	462,829	360,124	822,953
Local income taxes	-	357,981	357,981
Interest & penalties on taxes	14,704	-	14,704
Discounts on property taxes	(2,476)	(9,907)	(12,383)
Enterprise/Industrial exemptions	174	-	174
Collection fees	(10,609)	-	(10,609)
Front footage assessments	172,918	1,860	174,778
Interest income	75,702	28,400	104,102
Interest income, debt service	3,980	-	3,980
Interest expense	(427,311)	-	(427,311)
Gain on sale of assets	-	8,300	8,300
Capital grants	838,980	-	838,980
Other income (expense)	268,696	27,645	296,341
Non-operating Income (Loss)	<u>1,397,587</u>	<u>774,403</u>	<u>2,171,990</u>
Income (loss) before operating transfers	975,528	372,972	1,348,500
<b><u>OPERATING TRANSFERS:</u></b>			
Operating transfer in	152,000	-	152,000
Operating transfer out	(902,907)	-	(902,907)
Net income (loss)	<u>224,621</u>	<u>372,972</u>	<u>597,593</u>
Retained earnings, beginning	<u>14,069,752</u>	<u>7,989,919</u>	<u>22,059,671</u>
Retained earnings, ending	<u>\$ 14,294,373</u>	<u>\$ 8,362,891</u>	<u>\$ 22,657,264</u>

The accompanying Notes to the Financial Statements  
are an integral part of these statements.

**ALLEGANY COUNTY, MARYLAND**  
**COMBINED STATEMENT OF CASH FLOWS**  
**PROPRIETARY FUND TYPE - ENTERPRISE FUNDS**  
**AND DISCRETELY PRESENTED COMPONENT UNIT**  
**FOR THE YEAR ENDED JUNE 30, 2002**

	Primary Government Enterprise Funds	Component Unit LaVale Sanitary Commission	Totals- Memorandum Only Reporting Entity
<b>Cash flows from operating activities:</b>			
Cash received from customers	\$ 13,487,078	\$ 2,233,317	\$ 15,720,395
Cash payments for goods and services	(5,552,084)	(1,795,358)	(7,347,442)
Cash payments to employees for services	(6,200,664)	(625,065)	(6,825,729)
Other operating revenues	218,952	16,583	235,535
Net cash provided by operating activities	1,953,282	(170,523)	1,782,759
<b>Cash flows from noncapital financing activities:</b>			
Advances from other funds	24,366,463	-	24,366,463
Advances to other funds	(25,118,216)	-	(25,118,216)
Operating transfers from other funds	152,000	-	152,000
Operating transfers to other funds	(902,908)	-	(902,908)
Provided by nonoperating revenues	-	718,766	718,766
Net cash provided by noncapital financing activities	(1,502,661)	718,766	(783,895)
<b>Cash flows from capital and related financing activities</b>			
Proceeds from new debt	600,000	-	600,000
Acquisition and construction of capital assets	(1,735,255)	(495,471)	(2,230,726)
Principal paid on capital debt	(617,862)	-	(617,862)
Interest paid on capital debt	(436,463)	-	(436,463)
Proceeds of sales of fixed assets	6,120	8,300	14,420
Proceeds from capital grants	1,107,675	-	1,107,675
Debt fees	638,805	-	638,805
Net cash used for capital and related financing activities	(436,980)	(487,171)	(924,151)
<b>Cash flows from investing activities:</b>			
Purchase of investments	(371,563)	-	(371,563)
Sale of investments	356,518	-	356,518
Interest on investments	76,457	28,400	104,857
Net cash used in investing activities	61,412	28,400	89,812
Net increase (decrease) in cash	75,053	89,472	164,525
Cash at beginning of the year	497,892	729,668	1,227,560
Cash at end of year	\$ 572,945	\$ 819,140	\$ 1,392,085
<b>Reconciliation of operating income to net cash provided by operating activities:</b>			
Operating income (loss)	\$ (422,059)	\$ (401,431)	\$ (823,490)
Adjustments to reconcile operating income to net cash provided by operating activities:			
Depreciation	2,015,854	355,088	2,370,942
Provision for uncollectible accounts	56,996	-	56,996
Change in assets & liabilities:			
(Increase) decrease in receivables	79,923	(58,679)	21,244
(Increase) decrease in inventory	(28,969)	(25,386)	(54,355)
(Increase) decrease in prepaids	(14,791)	2,780	(12,011)
Increase (decrease) in acc'ts payable	137,349	(44,542)	92,807
Increase (decrease) in accrued payroll	128,979	1,647	130,626
Total adjustments	2,375,341	230,908	2,606,249
Net cash provided by operating activities	\$ 1,953,282	\$ (170,523)	\$ 1,782,759

The accompanying Notes to the Financial Statements are an integral part of these statements.

**ALLEGANY COUNTY, MARYLAND**  
**ALLEGANY COLLEGE OF MARYLAND COMPONENT UNIT**  
**STATEMENT OF CHANGES IN FUND BALANCES**  
**FOR THE YEAR ENDED JUNE 30, 2002**

	Current Funds		Endowment	Plant	Totals
	Unrestricted	Restricted	Fund	Fund	Memorandum Only
<b>REVENUES AND OTHER ADDITIONS:</b>					
Education and general	\$ 14,433,506	\$ -	\$ -	\$ -	\$ 14,433,506
Auxiliary enterprise	1,597,299	-	-	-	1,597,299
Governmental appropriations	-	-	-	489,044	489,044
Governmental grants	-	3,873,143	-	-	3,873,143
Private gifts, grants and other	-	97,472	-	-	97,472
Investment income - restricted	-	-	4,144	-	4,144
Investment income - unrestricted	-	-	14,418	551	14,969
Retirement of indebtedness	-	-	-	83,810	83,810
Expended for plant facilities	-	-	-	1,446,590	1,446,590
<b>TOTAL REVENUES AND OTHER ADDITIONS</b>	<b>16,030,805</b>	<b>3,970,615</b>	<b>18,562</b>	<b>2,019,995</b>	<b>22,039,977</b>
<b>TRANSFERS IN:</b>					
Transfers from other Allegany College funds	-	-	-	108,278	108,278
Transfers from primary government	5,275,000	-	-	-	5,275,000
<b>TOTAL TRANSFERS IN</b>	<b>5,275,000</b>	<b>-</b>	<b>-</b>	<b>108,278</b>	<b>5,383,278</b>
<b>TOTAL REVENUES, OTHER ADDITIONS AND TRANSFERS IN</b>	<b>21,305,805</b>	<b>3,970,615</b>	<b>18,562</b>	<b>2,128,273</b>	<b>27,423,255</b>
<b>EXPENDITURES AND OTHER DEDUCTIONS:</b>					
Education and general expenditures	19,028,152	-	-	-	19,028,152
Auxiliary enterprise expenditures	1,567,219	-	-	-	1,567,219
Governmental expenditures - restricted	-	3,873,143	-	-	3,873,143
Other restricted expenditures	-	97,472	-	-	97,472
Contribution to foundation	-	-	20,615	551	21,166
Retirement of indebtedness	-	-	-	83,810	83,810
Miscellaneous	-	-	-	-	-
Interest on indebtedness	-	-	-	30,768	30,768
Disposal of plant facilities	-	-	-	327,298	327,298
Expended for plant facilities	-	-	-	597,322	597,322
<b>TOTAL EXPENDITURES AND OTHER DEDUCTIONS</b>	<b>20,595,371</b>	<b>3,970,615</b>	<b>20,615</b>	<b>1,039,749</b>	<b>25,626,350</b>
<b>TRANSFERS OUT:</b>					
Transfers to other Allegany College funds	108,278	-	-	-	108,278
<b>TOTAL EXPENDITURES, OTHER DEDUCTIONS AND TRANSFERS OUT</b>	<b>20,703,649</b>	<b>3,970,615</b>	<b>20,615</b>	<b>1,039,749</b>	<b>25,734,628</b>
<b>NET INCREASE (DECREASE) IN FUND BALANCE</b>	<b>602,156</b>	<b>-</b>	<b>(2,053)</b>	<b>1,088,524</b>	<b>1,688,627</b>
<b>FUND BALANCES, BEGINNING OF YEAR</b>	<b>1,228,586</b>	<b>-</b>	<b>899,365</b>	<b>39,289,803</b>	<b>41,417,754</b>
<b>FUND BALANCES, END OF YEAR</b>	<b>\$ 1,830,742</b>	<b>\$ 0</b>	<b>\$ 897,312</b>	<b>\$ 40,378,327</b>	<b>\$ 43,106,381</b>

The accompanying Notes to the Financial Statements  
are an integral part of these statements.



**ALLEGANY COUNTY, MARYLAND**  
**ALLEGANY COLLEGE OF MARYLAND COMPONENT UNIT**  
**STATEMENT OF CURRENT FUNDS REVENUES, EXPENDITURES AND OTHER CHANGES**  
**FOR THE YEAR ENDED JUNE 30, 2002**

	Unrestricted	Restricted	Totals Memorandum Only
<b>REVENUES:</b>			
Education and general:			
Student tuition and fees	\$ 9,261,075	\$ -	\$ 9,261,075
State appropriations	4,156,891	-	4,156,891
Governmental grants	651	3,873,143	3,873,794
Private gifts, grants and other	281,249	97,472	378,721
State Paid benefits	733,640	-	733,640
Sales and services of auxiliary enterprises	1,597,299	-	1,597,299
<b>TOTAL REVENUES</b>	<b>16,030,805</b>	<b>3,970,615</b>	<b>20,001,420</b>
<b>TRANSFERS IN:</b>			
Transfers from primary government	5,275,000	-	5,275,000
<b>TOTAL REVENUES AND TRANSFERS IN</b>	<b>21,305,805</b>	<b>3,970,615</b>	<b>25,276,420</b>
<b>EXPENDITURES AND OTHER DEDUCTIONS:</b>			
Education and general expenditures:			
Instructional	8,079,083	854,921	8,934,004
Academic support	2,912,063	268,430	3,180,493
Student services	1,635,294	71,974	1,707,268
Plant operation and maintenance	1,700,665	3,836	1,704,501
Institutional support	3,377,176	49,034	3,426,210
Public service	4,158	28,909	33,067
Scholarships	586,073	2,693,511	3,279,584
State Paid benefits	733,640	-	733,640
Auxiliary enterprises expenditures	1,567,219	-	1,567,219
<b>TOTAL EXPENDITURES AND OTHER DEDUCTIONS</b>	<b>20,595,371</b>	<b>3,970,615</b>	<b>24,565,986</b>
<b>TRANSFERS OUT</b>			
Transfers to other Allegany College funds	108,278	-	108,278
<b>TOTAL EXPENDITURES, OTHER DEDUCTIONS AND TRANSFERS OUT</b>	<b>20,703,649</b>	<b>3,970,615</b>	<b>24,674,264</b>
<b>NET INCREASE (DECREASE) IN FUND BALANCE</b>	<b>\$ 602,156</b>	<b>\$ -</b>	<b>602,156</b>

The accompanying Notes to the Financial Statements  
are an integral part of these statements.

ALLEGANY COUNTY, MARYLAND  
DISCRETELY PRESENTED COMPONENT UNITS  
COMBINING BALANCE SHEET  
June 30, 2002

	Governmental Fund Types		Proprietary Fund Type	College Fund Type	
	Board of Education	Allegany County Library	LaVale Sanitary Commission	Allegany College	Total
<b>ASSETS</b>					
Cash:					
Cash	\$ 12,111,119	\$ 44,390	\$ -	\$ 117,894	\$ 12,273,403
Cash - LaVale Sanitary Comm.	-	-	819,140	-	819,140
Investments	3,708,524	1,120,050	-	3,795,772	8,624,346
Taxes receivable	-	-	52,974	-	52,974
Accounts receivable:					
Accounts, net	-	8,757	578,924	551,227	1,138,908
Intergovernmental	4,115,573	3,700	5,598	422,342	4,547,213
Other	346,800	-	-	87,197	433,997
Due from other funds	1,786,987	-	-	-	1,786,987
General fixed assets:	112,193,518	5,156,787	-	39,731,883	157,082,188
Property, plant & equipment	-	-	13,785,155	219,167	14,004,322
Construction in progress	-	121,771	109,549	20,611	251,931
Depreciation	-	-	(6,426,004)	(205,616)	(6,631,620)
Amount to be provided for retirement of long-term debt	2,651,587	60,499	-	-	2,712,086
Inventory	272,371	-	171,054	125,528	568,953
Prepaid expenditures/expenses	-	-	16,275	96,707	112,982
Miscellaneous	-	-	-	-	0
<b>TOTAL ASSETS</b>	<b>\$ 137,186,479</b>	<b>\$ 6,515,954</b>	<b>\$ 9,112,665</b>	<b>\$ 44,962,712</b>	<b>\$ 197,777,810</b>
<b>LIABILITIES</b>					
Accounts payable	\$ 2,907,376	\$ 4,255	\$ 190,145	\$ 902,795	\$ 4,004,571
Accrued payroll	8,436,030	32,207	25,936	203,945	8,698,118
Due to other funds	1,786,987	-	-	-	1,786,987
Long-term debt:					
Revenue debt	-	-	-	-	-
Leases payable	-	-	-	400,728	400,728
Compensated absences	2,651,587	60,499	-	-	2,712,086
Amounts held in escrow	-	-	-	99,116	99,116
Deferred revenues	901,990	-	-	249,747	1,151,737
<b>TOTAL LIABILITIES</b>	<b>16,683,970</b>	<b>96,961</b>	<b>216,081</b>	<b>1,856,331</b>	<b>18,853,343</b>
<b>FUND EQUITY &amp; OTHER CREDITS</b>					
Investment in fixed assets	112,129,752	5,278,558	-	39,351,766	156,760,076
Contributed capital	-	-	533,693	-	533,693
Retained earnings	166,644	-	8,362,891	639,975	9,169,510
Fund Balance:					
Reserved:					
Reserved for fund purposes	-	531,043	-	897,312	1,428,355
Reserved for inventory	272,371	-	-	-	272,371
Unreserved/Designated:					
Designated for programs	5,135,098	150,304	-	2,169,988	7,455,390
Unreserved/Undesignated	2,798,644	459,088	-	47,340	3,305,072
<b>TOTAL FUND EQUITY AND OTHER CREDITS</b>	<b>120,502,509</b>	<b>6,418,993</b>	<b>8,896,584</b>	<b>43,106,381</b>	<b>178,924,467</b>
<b>TOTAL LIABILITIES, FUND EQUITY AND OTHER CREDITS</b>	<b>\$ 137,186,479</b>	<b>\$ 6,515,954</b>	<b>\$ 9,112,665</b>	<b>\$ 44,962,712</b>	<b>\$ 197,777,810</b>

The accompanying Notes to the Financial Statements  
are an integral part of these statements.

ALLEGANY COUNTY, MARYLAND  
DISCRETELY PRESENTED COMPONENT UNITS  
GOVERNMENTAL FUND TYPES  
COMBINING STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE/EQUITY  
FOR THE YEAR ENDED JUNE 30, 2002

	Governmental Fund Types		
	Board of Education	Allegany County Library	Total
<b>REVENUES</b>			
Intergovernmental	\$ 60,710,397	\$ 567,870	\$ 61,278,267
Service charges	-	41,730	41,730
Miscellaneous	5,740,955	168,214	5,909,169
<b>TOTAL REVENUES</b>	<b>66,451,352</b>	<b>777,814</b>	<b>67,229,166</b>
<b>OTHER FINANCING SOURCES</b>			
Transfers from other funds	971,584	5,500	977,084
Transfer from primary government	26,542,486	740,000	27,282,486
<b>TOTAL OTHER FINANCING SOURCES</b>	<b>27,514,070</b>	<b>745,500</b>	<b>28,259,570</b>
<b>TOTAL REVENUES AND OTHER FINANCING SOURCES</b>	<b>93,965,422</b>	<b>1,523,314</b>	<b>95,488,736</b>
<b>EXPENDITURES</b>			
Education	90,117,338	-	90,117,338
Library	-	1,585,144	1,585,144
<b>TOTAL EXPENDITURES</b>	<b>90,117,338</b>	<b>1,585,144</b>	<b>91,702,482</b>
<b>OTHER FINANCING USES</b>			
Transfers to other funds	971,584	5,500	977,084
<b>TOTAL EXPENDITURES AND OTHER FINANCING USES</b>	<b>91,088,922</b>	<b>1,590,644</b>	<b>92,679,566</b>
Excess (deficiency) of revenues and other sources over expenditures and other uses	2,876,500	(67,330)	2,809,170
Net income (loss) from proprietary activities before operating transfers	(255,500)	-	(255,500)
Prior period adjustment	-	57,638	57,638
Fund balance/equity, adjusted beginning	5,751,757	1,150,127	6,901,884
<b>Fund balance/equity, ending</b>	<b>\$ 8,372,757</b>	<b>\$ 1,140,435</b>	<b>\$ 9,513,192</b>

The accompanying Notes to the Financial Statements  
are an integral part of these statements.

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# **NOTES TO THE COMBINED FINANCIAL STATEMENTS**

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The Notes are an  
integral part of the  
Combined Financial  
Statements.

**ALLEGANY COUNTY, MARYLAND**  
**NOTES TO THE COMBINED FINANCIAL STATEMENTS**  
**JUNE 30, 2002**

**Note 1. Summary of Significant Accounting Policies**

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**A. Introduction**

Allegany County, Maryland (the County) was established in 1789. The County in 1974 adopted the Code Home Rule form of government provided in Article XI-F of the Maryland Constitution and Article 25B of the Annotated Code of Maryland. Under this form of government, the Board has the authority to enact, amend and repeal public local laws relating to the incorporation, organization and government of the county, including laws authorizing the issuance and sale of bonds to finance capital projects for the County. Each member of the Board has one vote and, except for emergency bills, a simple majority of the Board is sufficient to enact any bill into law.

In 1996, the Commissioners adopted legislation making the County Administrator the Chief Administrative Officer of Allegany County responsible to the Board and charged with the administration of all County affairs. The Administrator will carry out the policies of the Board, direct and supervise the administration of all departments and agencies and perform all duties enumerated in the Allegany County Code Chapter 2, Article 1.

The executive offices of the County are located at the County Office Complex, 701 Kelly Road, Cumberland, Maryland 21502. The County Commissioners' office telephone number is 301-777-5911. The County's website can be viewed at [www.allconet.org](http://www.allconet.org).

The financial statements of Allegany County have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The significant County principles, policies and procedures are summarized in the following Notes to the Combined Financial Statements.

**B. Reporting Entity**

The reporting entity includes Allegany County's departments and agencies (the primary government) and other organizations (component units) which are included because of the significance of operational or financial relationships with the County.

As a result of its evaluation, the County has concluded that the following are component units of Allegany County and should be included in the reporting entity:

Blended Component Units – no external governmental units are blended in the combined financial statements.

**ALLEGANY COUNTY, MARYLAND**  
**NOTES TO THE COMBINED FINANCIAL STATEMENTS**  
**JUNE 30, 2002**

**Note 1. Summary of Significant Accounting Policies-Continued**

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**B. Reporting Entity – continued**

Discretely Presented Component Units – the component unit column in the combined financial statements include the financial data of the County's component units. They are reported in a separate column to emphasize that they are legally separate from the County.

1. The Board of Education – operates the public school system. The Board of Education may not issue debt without the County's approval and the County provides a significant portion of the Board's funding. The members of the board are elected by the voters of Allegany County.
2. The Allegany County Library – operates the County's Library system. The Library System may not issue debt without the County's approval. The County provides a major portion of the Library's funding and appoints the members of the board.
3. LaVale Sanitary Commission – provides water and waste treatment facilities for LaVale and surrounding areas. Allegany County has pledged its full faith and credit for the debt of the LaVale Sanitary Commission. The governing board is appointed by the County Commissioners. The County provides no operating subsidies to the LaVale Sanitary Commission.
4. Allegany College – offers two years of higher education to area residents. Allegany County provides a significant portion of the funding for the operation of the College and provides the local contribution for capital projects from bond proceeds repaid by Allegany County. The College has elected to report its financial information in accordance with the AICPA College Guide Model.

Complete financial statements of the individual component units can be obtained from their respective administrative offices:

**Administrative Offices:**

Allegany County Board of Education  
108 Washington Street  
Cumberland, Maryland 21502

Allegany County Library System  
31 Washington Street  
Cumberland, Maryland 21502

LaVale Sanitary Commission  
1 Roselawn Avenue  
LaVale, Maryland 21502

Allegany College  
12401 Willowbrook Road  
Cumberland, Maryland 21502

**ALLEGANY COUNTY, MARYLAND**  
**NOTES TO THE COMBINED FINANCIAL STATEMENTS**  
**JUNE 30, 2002**

**Note 1. Summary of Significant Accounting Policies-Continued**

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**C. Fund Accounting**

The accounting system of Allegany County is organized and operated on the basis of funds and account groups, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues and expenditures, or expenses, as appropriate. Governmental resources are allocated to and accounted for in individual funds based on the purposes for which they are to be spent and the means by which spending activities are controlled. The various funds and account groups in these financial statements are organized into three broad fund types, two account groups, and discretely presented funds as follows:

1. Governmental Fund Types are used to account for most governmental functions of the County. The governmental fund measurement focus is upon determination of financial position (modified accrual basis of accounting). The County's governmental fund types are: the General Fund, the Special Revenue Funds, the Debt Service Fund and the Capital Project Funds. Expenditures in the General and Special Revenue Funds are considered "current expenditures" benefiting the current period. The Capital Project Funds are considered "capital outlay" benefiting current and future periods. The Debt Service Fund expenditures are "debt service" expenditures that benefit prior fiscal periods as well as current and future periods.
2. Proprietary Fund Types are used to account for the County's activities that are similar to those often found in the private sector. Proprietary fund measurement focus is upon determination of net income, financial position, and changes in financial position (accrual basis of accounting). The government has elected not to apply FASB pronouncements in accounting and reporting for its proprietary operations after November 30, 1989. The County uses Enterprise Funds to record this activity.
3. Fiduciary Fund Types are used to account for assets held by the County in the capacity of an agent or trustee. The County uses an Agency Fund to account for this activity.
4. General Fixed Asset Account Group represents a summary of the County's fixed assets, other than those fixed assets reported in the Enterprise Funds.
5. General Long-Term Debt Account Group accounts for the long-term debt of the County expected to be financed by governmental revenues; it does not include the debt of the Enterprise Funds.
6. Discretely Presented Component Units of the County are the Allegany County Board of Education, the Allegany County Library System, the LaVale Sanitary Commission and Allegany College.



**ALLEGANY COUNTY, MARYLAND**  
**NOTES TO THE COMBINED FINANCIAL STATEMENTS**  
**JUNE 30, 2002**

**Note 1. Summary of Significant Accounting Policies-Continued**

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**D. Basis of Accounting**

The basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

The General, Special Revenue, Capital Project, Debt Service and Agency Funds are accounted for using the modified accrual basis of accounting. Revenues are recorded when collected by the County, except those revenues that are susceptible to accrual because they are both measurable and available. The County considers property taxes as available if they are collected within 60 days after year-end. A 90-day availability period is used for revenue recognition for all other general fund revenues. All other governmental funds use a 6-month availability period for governmental fund revenue recognition.

Expenditures are recognized under the modified accrual basis of accounting when the related fund liability is incurred, except that principal and interest on general long-term debt are recognized when due.

The Enterprise Funds are accounted for using the accrual basis of accounting. Revenues are recognized when they are earned and expenses are recognized when they are incurred, without regard to receipt or payment of cash.

**E. Budgets and Budgetary Accounting**

Annual budgets are adopted for all General, Special Revenue, Debt Service and Capital Project Funds. All governmental fund budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP). Encumbrances and appropriations generally lapse at year-end and are treated as expenditures in the year the liability is incurred. Budgets are adopted for the Enterprise Funds, though not required, on a revenue and expenditure basis to permit monitoring of the financial activity. Budgets to actual comparisons are presented in this report for all the primary government's governmental fund types. Budget-to-actual comparisons for the discretely presented component units and the enterprise funds are not required and, therefore, are not presented.

The County uses the following procedures in establishing the budgetary data reflected in the financial statements:

1. Prior to January 15, the County Administrator submits recommended budget guidelines to the Board of Commissioners for their approval.
2. After receiving approval of the budget guidelines, the County Administrator and the Director of Finance meet with the various departments and agencies to explain and distribute the guidelines.

**ALLEGANY COUNTY, MARYLAND**  
**NOTES TO THE COMBINED FINANCIAL STATEMENTS**  
**JUNE 30, 2002**

**Note 1. Summary of Significant Accounting Policies-Continued**

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**E. Budgets and Budgetary Accounting-continued**

3. The County Administrator and the Director of Finance compile all budget requests; after making departmental and agency review of the requests, a recommended budget is presented to the Board of County Commissioners for review and approval.
4. A public hearing is held to obtain public input and opinion of a preliminary budget.
5. Under Local Code Home Rule, the property tax rate must be set by June 30, and by that time, the budget is publicly adopted by the County Commissioners.
6. During the year supplemental appropriations shall be made by public approval of the Board of Commissioners. Supplemental appropriations in the General Fund for fiscal year 2002 were increased by \$183,493 and were funded by grants and fund balance designated for those programs in future years.
7. During the year, budget amendments within a department are approved by the Director of Finance. Budget amendments between departments and/or funds require Commissioner public approval.
8. Legally, total expenditures for all individual governmental funds may not exceed the total budget for a particular fund except for emergencies, state-mandated programs, or by approval of a majority of the Board of Commissioners.
9. Appropriations lapse at the end of the fiscal year for all funds, except the Capital Project Funds, and certain federal grants that do not have a year-end date of June 30.
10. Budget monitoring is the responsibility of the Finance Department and the appropriate department head.

**F. Encumbrances**

The County has elected not to employ the use of encumbrance accounting for financial reporting purposes. The County utilizes an encumbrance-based accounting system for internal reporting. However, these encumbrances lapse at year-end. Accordingly, the County does not prepare budgetary basis statements of revenues, expenditures and changes in fund balance.

**G. Cash, Cash Equivalents, and Investments**

In order to maximize investment interest income and for efficient operation of the accounting system, Allegany County's expenditures, except those required by law or agreement, are made from one bank account to maximize investment income and for the efficient operation of the accounting system.

**ALLEGANY COUNTY, MARYLAND**  
**NOTES TO THE COMBINED FINANCIAL STATEMENTS**  
**JUNE 30, 2002**

**Note 1. Summary of Significant Accounting Policies-Continued**

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**G. Cash, Cash Equivalents, and Investments-continued**

“Cash and Cash Equivalents” include currency on-hand, demand deposits, and investments with original maturities of three months or less.

Investments are stated at cost, which approximates market.

Allegany County’s Discretely Presented Component Unit policies for cash, cash equivalents, and investments are generally similar to the County’s. Their reports should be consulted for additional detail.

**H. Short-Term Interfund Receivables/Payables**

As a result of having numerous transactions between the various funds resulting from a centralized disbursement operation in the General Fund, short-term interfund receivables and payables are created and reported as “Due From Other Funds” and “Due To Other Funds” on the balance sheet.

**I. Advances To/From Other Funds**

Non-current portions of long-term interfund loans, “Advance To Other Funds” and “Advance From Other Funds,” are equally offset by fund balance reserve accounts to indicate that they should not be considered “available spendable resources” since they do not represent net current assets.

**J. Inventory**

Inventory in most funds of the oversight entity consists of immaterial expendable supplies and is recorded as an expenditure at the time of purchase. They are not recorded as an asset on the accompanying balance sheet. Inventories that are material use the consumption method and are valued at cost using the First-in First-out method. A reservation of fund balance is reported because these assets do not represent an expendable available resource of the County.

Inventory policies of the discretely presented component units vary and the individual financial reports should be consulted for details.

**K. Fixed Assets**

General fixed assets are not capitalized in the funds used to acquire or to construct them. Capital assets acquired or constructed in the governmental funds are recorded as expenditures and the related assets are reported in the General Fixed Asset Account Group. All purchased or constructed fixed assets are valued at historical cost, if available, and at estimated historical cost if records do not exist. Donated fixed assets are valued at their fair market value on the date received.

**ALLEGANY COUNTY, MARYLAND**  
**NOTES TO THE COMBINED FINANCIAL STATEMENTS**  
**JUNE 30, 2002**

**Note 1. Summary of Significant Accounting Policies-Continued**

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**K. Fixed Assets-continued**

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend lives are not capitalized. Improvements are capitalized.

Public domain (infrastructure) general fixed assets consisting of roads, bridges, curbs and gutters, sidewalks and streets, and drainage systems are capitalized. Depreciation is recorded in the general fixed-asset account group using the straight-line method.

Fixed assets are recorded in the Enterprise Funds at their historical cost. Depreciation of these assets is charged as an expense against operations. Depreciation has been provided over the estimated useful lives using the straight-line method. The estimated useful lives for various classes of assets are:

Asset Class	Life (years)
Buildings	30-40
Sewer/Water Systems	30-50
Other Infrastructure	30-40
Furniture & Fixtures	7-10
Equipment	7-10
Vehicles	5-7
Heavy Equipment	7-10
Other Fixed Assets	7-50

**L. Long-Term Debt**

Long-term liabilities that will be financed from governmental funds are accounted for in the General Long-Term Debt Account Group. Payment of principal and interest is accounted for in the Debt Service Fund. Long-term liabilities of all enterprise funds are accounted for in the respective issuing funds.

**M. Fund Equity**

Fund balance has three major components:

1. Reserved Fund Balance – indicates the portion of fund equity that reflects assets which do not represent available spendable resources or have been legally segregated for specific purposes and is not available for other uses.
2. Designated Fund Balance – indicates that portion of fund equity for which County management has designated to be expended for specific purposes.

**ALLEGANY COUNTY, MARYLAND**  
**NOTES TO THE COMBINED FINANCIAL STATEMENTS**  
**JUNE 30, 2002**

**Note 1. Summary of Significant Accounting Policies-Continued**

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**M. Fund Equity-continued**

3. Unreserved/Undesignated Fund Balance – that portion of fund equity available for expenditure in future periods.

**N. Total Columns on Combined Statements**

Total columns on the Combined Statements are captioned "Memorandum Only" to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position, results of operations, or cash flows in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation. Interfund balances have not been eliminated in the aggregation of this data.

**Note 2. Cash Deposits and Investments**

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**Allegany County Primary Government:**

Article 95, Section 22 of the Annotated Code of Maryland authorizes the County to invest surplus funds in bonds or in other obligations of which the full faith and credit of the United States of America are pledged, obligations of federal government agencies issued in accordance with an Act of Congress, repurchase agreements that are secured by any bond or other obligation for the payment of which the full faith and credit of the United States are pledged, any bank or banks in the State of Maryland, any savings and loan association, any building and loan association, in interest-bearing time deposit; and/or savings accounts, or in the Local Government Investment Pool.

A reconciliation of cash and investments as shown on the Combined Balance Sheet for Allegany County at June 30, 2002 follows:

Cash and cash equivalents	\$ 7,049,460
Cash and cash equivalents - restricted	317,261
Investments	9,501,283
	<u>\$ 16,868,004</u>
Deposits and investment summary	
Cash on hand	\$ 6,216
Carrying amount of deposits	5,996,323
Carrying amount of investments	10,865,465
	<u>\$ 16,868,004</u>

Cash Deposits – At year-end, the carrying amount of the County's cash deposits was \$5,996,323 the bank balances were \$6,134,470. The entire bank balance was either covered by federal depository insurance or collateralized by securities held by the County's agent in the name of the County.

**ALLEGANY COUNTY, MARYLAND**  
**NOTES TO THE COMBINED FINANCIAL STATEMENTS**  
**JUNE 30, 2002**

**Note 2. Cash Deposits and Investments-Continued**

**Allegany County Primary Government:**

Investments – investments are categorized as follows to give an indication of the level of risk assumed by the County or its component units at year-end.

Category 1 – includes investments that are insured or registered or for which the securities are held by the County (or Component Unit) or the County's agent in the County's (or Component Unit's) name.

Category 2 – includes uninsured and unregistered investments for which the securities are held by the counterparty's trust department (if a Bank) or agent in the County's or Component Unit's name.

Category 3 – includes uninsured and unregistered investments for which the securities are held by the counterparty in the County's name or held by the counterparty's trust department (if a Bank) or agent but not in the County's or Component Unit's name.

Investments	Category			Carrying Amount	Fair Value
	1	2	3		
Certificates of deposit	\$ 1,799,070	\$ 0	\$ 0	\$ 1,799,070	\$ 1,799,070
Repurchase agreements	7,702,214			7,702,214	7,702,214
Money market account	1,364,181			1,364,181	1,364,181
<b>Total Investments</b>				<b>\$ 10,865,465</b>	<b>\$ 10,865,465</b>

The County carries its investments at cost. Investments consist entirely of nonparticipating contracts (nonnegotiable certificates of deposit) or repurchase agreements with maturities of less than one year.

**Allegany County Discretely Presented Component Units:**

**Allegany County Board of Education**

Cash deposits – At year-end, the carrying amount of the Board's deposits was \$15,819,643 and the bank balance was \$16,486,496. The entire bank balance was either covered by federal depository insurance or by collateral held by the Board's agent in the Board's name.

**Allegany County Library System**

Cash deposits – At year-end, the carrying amount of the Library's cash deposits was \$43,815 and the bank balance was \$68,147. The entire bank balance was covered by federal depository insurance or a separate collateral agreement. Cash on hand was \$575.

**ALLEGANY COUNTY, MARYLAND**  
**NOTES TO THE COMBINED FINANCIAL STATEMENTS**  
**JUNE 30, 2002**

**Note 2. Cash Deposits and Investments-Continued**

**Allegany County Library System-continued**

**Investments: Investments:**

Investments	Category			Carrying Amount	Fair Value
	1	2	3		
Investments not subject to Categorization, Maryland Local Gov't Fund Pool				\$1,120,050	\$1,120,050
<b>Totals</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$1,120,050</b>	<b>\$1,120,050</b>

The Maryland Local Government Investment Pool is administered by the Mercantile-Safe Deposit and Trust Company and oversight, by State law, is provided by the Maryland State Treasurer's Office. Due to the short-term nature of the Pool's assets and liabilities the carrying value of the Library's share of the pool is carried at cost which approximates fair value.

**LaVale Sanitary Commission**

Cash deposits – At year-end, the carrying amount of the LaVale Sanitary Commission's cash deposits was \$818,990, the bank balance was \$861,629, and cash on hand was \$150. The entire bank balance was either covered by federal depository insurance or by collateral held by LaVale Sanitary Commission's agent in the Commission's name.

**Allegany College**

Cash deposits – At year-end, the carrying amount of the College's cash deposits was \$117,894, the bank balance was \$446,370 which was either covered by federal depository insurance or was covered by collateral held by the College's agent in the College's name.

**Investments:**

Investments	Category			Carrying Amount	Fair Value
	1	2	3		
US Gov't Obligations	\$3,507,076			\$3,507,076	\$3,512,646
Repurchase Agreements	288,696			288,696	288,696
<b>Totals</b>	<b>\$3,795,772</b>	<b>\$</b>	<b>\$</b>	<b>\$3,795,772</b>	<b>\$3,801,342</b>

**Note 3. Property Taxes Receivable**

Property taxes are levied each July 1 and due on or before September 30 of that year. Unpaid property taxes attach as an enforceable lien on the property as of October 1. The County bills and collects its own property taxes. County property tax revenues are recognized when levied to the extent that they result in current receivables, collectable within sixty days after year-end, as defined by the Government Accounting Standards Board (GASB).

**ALLEGANY COUNTY, MARYLAND**  
**NOTES TO THE COMBINED FINANCIAL STATEMENTS**  
**JUNE 30, 2002**

**Note 3. Property Taxes Receivable - Continued**

As of July 1, 1996, State law mandates owner-occupied residential property owners may elect to pay real property taxes under a semiannual or annual payment schedule. The first installment for a semiannual payment or the annual payment is due by September 30, and the second installment of a semiannual schedule is due December 31, of the tax year without interest. Any unpaid installments after January 1 are charged interest of 1.5% monthly. Property owners electing to pay real property taxes semiannually may not have delinquent taxes on the property.

The assessment of all real and personal property for purposes of property taxation by the County is the sole responsibility of the State Department of Assessments and Taxation. Real property is valued at market value and is assessed at 100% of that value. The real estate assessment of 100% is the result of The Maryland Truth in Taxation Act, Chapter 80 of the Laws of Maryland of 2000 effective October 1, 2000. Prior to the law change, the assessment was 40% of the market value. Real property tax rates were adjusted to make the law revenue neutral. Tangible personal property is assessed at cost, less 10% depreciation for each year held, to a minimum of 25% of cost. The County granted tax differential rates to municipalities located within the County in accordance with Article 32A of the Annotated Code of Maryland which reduced the tax rates for owners of municipal property. The various tax rates for Allegany County for fiscal year 2002 are as follows:

	<u>Real</u>	<u>Personal Property</u>
Unincorporated	.9840	2.4600
Barton	.9513	2.3782
Cumberland*	.9840	2.4600
Frostburg	.9128	2.2820
Lonaconing	.9330	2.3325
Luke	.9287	2.3217
Midland	.9513	2.3782
Westernport	.9330	2.3325

- \* A tax differential rate of \$0.0790 for real property and \$0.1976 for personal property was collected by the County and remitted to the City of Cumberland.

Property tax receivables at June 30, 2002 were \$3,106,538 of which \$1,832,382 was current year's taxes receivable and the balance of \$1,274,156 was prior years' unpaid taxes.

**Note 4. Accounts Receivable**

Allegany County's receivables due from customers at June 30, 2002 consist of the following:

	<u>Receivable</u>	<u>Allowance for Doubtful Accounts</u>	<u>Net Receivable</u>
Water Districts	\$ 336,355	\$ 21,238	\$ 315,117
Sanitary Districts	1,277,080	107,190	1,169,890
Nursing Home	1,080,671	120,000	960,671
County Loan Fund	2,522,415	250,000	2,272,415
	\$ 5,216,521	\$ 498,428	\$ 4,718,093



**ALLEGANY COUNTY, MARYLAND**  
**NOTES TO THE COMBINED FINANCIAL STATEMENTS**  
**JUNE 30, 2002**

**Note 5. Fixed Assets**

The following is a summary of changes in fixed assets of Allegany County's primary government:

General Fixed Asset Account Group					
Asset class	Balance July 1, 2001	Additions	Deletions	Transfers In (Out)	Balance June 30, 2002
Land	\$ 4,027,568	\$ 2,674,247	\$ 1,984	\$ -	\$ 6,699,831
Buildings	14,828,388	19,146,587	1,066,332	-	32,908,643
Infrastructure	30,803,911	346,636	173,438	-	30,977,109
Furniture & Fixtures	860,482	17,903	-	-	878,385
Equipment	2,352,351	774,649	50,942	-	3,076,058
Vehicles	6,428,974	373,492	214,808	-	6,587,658
Heavy Equipment	2,893,398	385,573	87,447	-	3,191,524
Other Fixed Assets	813,955	14,951	-	-	828,906
Sub-totals	\$ 63,009,027	\$ 23,734,038	\$ 1,594,951	\$ -	\$ 85,148,114
Accum Depreciation	(38,504,439)				(40,139,114)
General Fixed Asset Account Group assets net of depreciation	\$ 24,504,588				\$ 45,009,000

Enterprise Funds					
Enterprise Fund Asset class	Balance July 1, 2001	Additions	Deletions	Transfers In (Out)	Balance June 30, 2002
Nursing Home					
Buildings	\$ 2,620,071	\$ 92,309	\$ -	\$ -	\$ 2,712,380
Furniture & Fixtures	1,118,112	310,710	1,458	-	1,427,364
Equipment	663,377	146,529	6,028	-	803,878
Vehicles	135,304	3,995	-	-	139,299
Other Fixed Assets	4,177	-	-	-	4,177
Sub-totals	\$ 4,541,041	\$ 553,543	\$ 7,486	\$ -	\$ 5,087,098
Accum Depreciation	(2,511,123)				(2,673,188)
Nursing Home assets net of depreciation	\$ 2,029,918				\$ 2,413,910
Water Districts					
Work in Progress	\$ -	\$ -	\$ -	\$ -	\$ -
Land	6,570	-	-	-	6,570
Water Systems	11,489,310	-	-	5,334,267	16,823,577
Furniture & Fixtures	225	-	225	-	0
Equipment	71,243	-	29,039	-	42,204
Vehicles	114,138	-	-	-	114,138
Other Fixed Assets	1,102,772	13,040	-	-	1,115,812
Sub-totals	\$ 12,784,258	\$ 13,040	\$ 29,264	\$ 5,334,267	\$ 18,102,301
Accum Depreciation	(2,267,336)				(2,869,703)
Water District assets net of depreciation	\$ 10,516,922				\$ 15,232,598
Sanitary Districts					
Land	\$ 27,718	\$ -	\$ -	\$ -	\$ 27,718
Buildings	156,566	15,532	-	-	172,098
Construction in Progress	1,057,178	973,579	-	(1,474,380)	556,377
Water/Sewer Systems	67,257,144	-	-	(3,859,887)	63,397,257
Furniture & Fixtures	16,369	2,076	5,075	-	13,370
Equipment	672,567	133,068	99,281	-	706,354
Vehicles	333,471	29,220	59,615	-	303,076
Heavy Equipment	204,118	-	15,849	-	188,269
Other Fixed Assets	1,210,654	15,200	6,916	-	1,218,938
Sub-totals	\$ 70,935,785	\$ 1,168,675	\$ 186,736	\$ (5,334,267)	\$ 66,583,457
Accum Depreciation	(23,078,705)				(24,112,764)
Sanitary District assets net of depreciation	\$ 47,857,080				\$ 42,470,693
Total All Enterprise Funds					
Total cost	\$ 88,261,084	\$ 1,735,258	\$ 223,486	\$ -	\$ 89,772,856
Accum Depreciation	(27,857,164)				(29,655,655)
Enterprise Fund assets net of depreciation	\$ 60,403,920				\$ 60,117,201

**ALLEGANY COUNTY, MARYLAND**  
**NOTES TO THE COMBINED FINANCIAL STATEMENTS**  
**JUNE 30, 2002**

**Note 5. Fixed Assets-Continued**

The following is a summary of changes in fixed assets of Allegany County's discretely presented component units:

Discretely Presented Component Units					
Asset class	Balance July 1, 2001	Additions	Less Deletions	Transfers In (Out)	Balance June 30, 2002
<b>Board of Education</b>					
General Fixed Assets					
Land	\$ 2,111,566	\$ 277,239	\$ 33,250	\$ -	\$ 2,355,555
Buildings and Improvements	101,910,899	1,623,533	117,203	-	103,417,229
Equipment	6,024,712	502,592	170,336	-	6,356,968
Totals	<u>\$ 110,047,177</u>	<u>\$ 2,403,364</u>	<u>\$ 320,789</u>	<u>\$ -</u>	<u>\$ 112,129,752</u>
Property, Plant & Equipment					
Equipment	\$ 447,357	-	-	-	\$ 447,357
Accum Depreciation	(342,068)				(383,591)
Property, Plant & Equipment net of depreciation	<u>\$ 105,289</u>				<u>\$ 63,766</u>
<b>Allegany County Library</b>					
General Fixed Assets					
Buildings & Improvements	\$ 4,327,392	\$ 6,400	\$ 2,070	\$ -	\$ 4,331,722
Furniture & Equipment	746,862	47,892	88,387	-	706,367
Vehicles	118,698	-	-	-	118,698
Construction in Progress	0	121,771	0	-	121,771
Totals	<u>\$ 5,192,952</u>	<u>\$ 176,063</u>	<u>\$ 90,457</u>	<u>\$ -</u>	<u>\$ 5,278,558</u>
<b>Allegany College</b>					
General Fixed Assets					
Land	\$ 382,150	\$ -	\$ -	\$ -	\$ 382,150
Buildings	23,572,039	5,237,604	-	-	28,809,643
Furniture, Fixtures & Equipment	9,880,944	986,444	327,298	-	10,540,090
Construction in Progress	4,749,010	20,611	4,749,010.00	-	20,611
Totals	<u>\$ 38,584,143</u>	<u>\$ 6,244,659</u>	<u>\$ 5,076,308</u>	<u>\$ -</u>	<u>\$ 39,752,494</u>
Property, Plant & Equipment					
Furniture, Fixtures & Equipment	\$ 216,226	\$ 8,577	\$ 5,636	\$ -	\$ 219,167
Accum Depreciation	(200,826)				(205,616)
Property, Plant & Equipment net of depreciation	<u>\$ 15,400</u>				<u>\$ 13,551</u>
<b>LaVale Sanitary District</b>					
Property, Plant & Equipment					
Land & buildings	\$ 321,406	\$ 175,553	\$ -	\$ -	\$ 496,959
Construction in Progress	113,900	51,113	55,464	-	109,549
Infrastructure	12,231,060	144,953	-	-	12,376,013
Equipment	758,207	179,317	25,341	-	912,183
Sub-totals	<u>\$ 13,424,573</u>	<u>\$ 550,936</u>	<u>\$ 80,805</u>	<u>\$ -</u>	<u>\$ 13,894,704</u>
Accum Depreciation	(6,096,256)				(6,426,004)
Sanitary District assets net of depreciation	<u>\$ 7,328,317</u>				<u>\$ 7,468,700</u>
<b>Total All Discretely Presented Component Units</b>					
General Fixed Assets	<u>\$ 153,824,272</u>	<u>\$ 8,824,086</u>	<u>\$ 5,487,554</u>	<u>\$ -</u>	<u>\$ 157,160,804</u>
Property, Plant & Equipment	<u>\$ 14,088,156</u>	<u>\$ 559,513</u>	<u>\$ 86,441</u>	<u>\$ -</u>	<u>\$ 14,561,228</u>
Accum Depreciation	<u>(6,639,150)</u>				<u>(7,015,211)</u>
Property, Plant & Equipment net of depreciation	<u>\$ 7,449,006</u>				<u>\$ 7,546,017</u>

**ALLEGANY COUNTY, MARYLAND**  
**NOTES TO THE COMBINED FINANCIAL STATEMENTS**  
**JUNE 30, 2002**

**Note 6. Short-Term Debt**

Allegany County had no short-term debt outstanding at June 30, 2002.

**Note 7. Long-Term Debt**

The following is a summary of general obligation debt transactions for the County for the fiscal year ended June 30, 2002:

General Obligation Debt					
General Government Debt:	Payable at June 30, 2001	Amount Issued	Amount Retired	Amount Refunded	Payable at June 30, 2002
General Obligation	\$ 37,945,000	\$ 9,735,000	\$ (3,360,000)	\$ (9,205,000)	\$ 35,115,000
Notes	1,080,232	-	(66,740)	-	1,013,492
Capital Leases	51,783	126,048	(95,070)	-	82,761
State Loans	8,460,725	-	(414,673)	-	8,046,052
Compensated Absences	2,587,435	275,954	-	-	2,863,389
Total	<u>\$ 50,125,175</u>	<u>\$ 10,137,002</u>	<u>\$ (3,936,483)</u>	<u>\$ (9,205,000)</u>	<u>\$ 47,120,694</u>

The annual requirements to amortize Allegany County primary government's general obligation debt outstanding as of June 30, 2002 are as follows:

Year Ending June 30,	General Obligation Bonds		Notes		Capital Leases		State Loans		Totals	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2003	\$ 3,535,000	\$ 1,512,858	\$ 72,473	\$ 53,125	\$ 40,784	\$ 4,463	\$ 450,674	\$ 453,810	\$ 4,098,931	\$ 2,024,256
2004	3,635,000	1,342,419	76,298	49,299	41,977	2,288	478,170	426,314	4,231,445	1,820,320
2005	3,435,000	1,185,363	80,326	45,272	-	-	506,671	397,813	4,021,997	1,628,448
2006	3,540,000	1,035,916	84,567	41,031	-	-	536,913	367,571	4,161,480	1,444,518
2007	3,380,000	885,514	89,031	36,567	-	-	548,163	335,480	4,017,194	1,257,561
2008-2012	13,060,000	2,464,796	384,798	111,550	-	-	2,472,887	1,225,485	15,917,685	3,801,831
2013-2017	4,530,000	332,242	35,637	60,603	-	-	2,106,361	530,318	6,671,998	923,163
2018-2022	-	-	47,315	48,925	-	-	946,213	89,765	993,528	138,690
2023-2027	-	-	62,819	33,421	-	-	-	-	62,819	33,421
2028-2032	-	-	80,228	12,835	-	-	-	-	80,228	12,835
	<u>\$ 35,115,000</u>	<u>\$ 8,759,108</u>	<u>\$ 1,013,492</u>	<u>\$ 492,628</u>	<u>\$ 82,761</u>	<u>\$ 6,751</u>	<u>\$ 8,046,052</u>	<u>\$ 3,826,556</u>	<u>\$ 44,257,305</u>	<u>\$ 13,085,043</u>
							Add compensated absences		2,863,389	
									<u>47,120,694</u>	

**ALLEGANY COUNTY, MARYLAND**  
**NOTES TO THE COMBINED FINANCIAL STATEMENTS**  
**JUNE 30, 2002**

**Note 7. Long-Term Debt - Continued**

Allegany County Primary Government Schedule of Long - Term General Obligation Debt:					
General Obligation Bonds:	Date of	Date of	Interest	June 30,	
Public Improvement Bonds:	Issue	Maturity	Rate (%)	2002	2001
Bonds of 1988	11/01/88	11/01/03	5.5 - 8.5	\$ 0	\$ 885,000
Bonds of 1990	10/15/90	10/15/05	5.25 - 8.25	0	1,325,000
Bonds of 1991	08/01/91	08/01/06	5.4 - 7.125	1,130,000	3,390,000
Bonds of 1992	08/01/92	04/01/07	2.75-5.70	165,000	1,080,000
Bonds of 1994	01/01/94	01/01/09	4.05-4.70	2,850,000	3,190,000
Bonds of 1995	11/01/95	11/01/10	4.25-5.10	4,195,000	4,560,000
Bonds of 1996	06/15/96	11/01/16	4.8-6.25	400,000	4,495,000
Bonds of 1997	03/01/97	03/01/12	3.65-5.4	3,745,000	5,315,000
Bonds of 1998	08/15/98	08/01/13	4.375-4.65	12,895,000	13,705,000
Bonds of 2001	09/01/01	11/01/16	3.5-4.4	9,735,000	0
Notes:					
Farmers Home Admin	1992	2032	5.75	273,056	276,458
Tri - County Council Loa	06/22/93	06/22/08	5.0	51,445	56,075
PPG Loan	01/05/96	2011	5.2	688,992	747,699
Capital Leases:					
HVAC Lease	11/11/96	2001	6.7	0	42,577
Home detention equip (1)	10/98	10/2001	4.8	0	2,529
Home detention equip (2)	6/99	08/2002	4.8	977	6,677
Sheriff's vehicles	12/03/01	01/03/04	5.45	81,784	0
State Loans:					
Md Industrial Land Act:					
Precise Metals Bldg	03/19/80	03/19/09	6.316	446,482	523,967
Superfos Expansion	1991	2028	6.9	671,846	698,405
Blue Cross Bldg	1992	2012	6.8	1,138,687	1,175,486
Schwab Bldg I	1992	2012	6.44	578,155	623,395
Hunter Douglas	1993	2019	5.93	450,977	466,904
Micro - Integration	1994	2014	5.93	725,512	768,810
Superfos III	1995	2014	5.93	1,064,895	1,122,538
Hunter Douglas II	1998	2018	4.64	82,972	88,822
MICRF Loans:					
Potomac Farms	06/22/93	06/22/08	5.0	245,314	279,567
PPG Purchase	01/05/96	2020	5.0	2,185,725	2,251,410
PPG Improvements	2001	2022	4.69	245,587	249,852
MAHF Loan	08/10/90	08/10/30	1.0	59,899	61,569
MD Historical Trust Loan	2000	2020	1.0	150,000	150,000
Compensated Absences				2,863,389	2,587,435
Total Long - Term General Obligation Debt				\$ 47,120,694	\$ 50,125,175

**ALLEGANY COUNTY, MARYLAND**  
**NOTES TO THE COMBINED FINANCIAL STATEMENTS**  
**JUNE 30, 2002**

**Note 7. Long-Term Debt - Continued**

The following is a summary of revenue debt transactions for the County for the fiscal year ended June 30, 2002:

Revenue Debt					
	Payable at July 1, 2001	Amount Issued	Amount Retired	Amount Transferred	Payable at June 30, 2002
Water Districts Debt:					
Farmers Home Admin	\$ 1,665,100	\$ 600,000	\$ (35,266)	\$ 1,073,635	\$ 3,303,469
Allegany County Advances	189,449	-	(66,617)	0	122,832
Total	<u>\$ 1,854,549</u>	<u>\$ 600,000</u>	<u>\$ (101,883)</u>	<u>\$ 1,073,635</u>	<u>\$ 3,426,301</u>
Sanitary Districts Debt:					
Water Quality Loans	\$ 2,014,938	\$ -	\$ (174,326)	\$ 0	\$ 1,840,612
Farmers Home Admin	2,166,706	-	(13,702)	(1,073,635)	1,079,369
Allegany County Advances	2,120,833	-	(327,953)	0	1,792,880
	<u>\$ 6,302,477</u>	<u>\$ 0</u>	<u>\$ (515,981)</u>	<u>\$ (1,073,635)</u>	<u>\$ 4,712,861</u>
Schedule of Revenue Debt:					
	Date of Issue	Date of Maturity	Interest Rate (%)	June 30,	
				2002	2001
Water Districts Debt:					
Eckhart FHA Loan 1991 Series A	02/21/91	2013	6.0	\$ 103,936	\$ 105,259
Eckhart FHA Loan 1991 Series B	02/21/91	2013	6.0	253,758	256,990
Borden/Zhilman FHA Loan 1998	10/22/97	2037	4.5	324,258	327,910
Carlos/Shaft FHA Loan 2000	12/28/99	12/28/2039	3.25	492,443	499,095
Oldtown Rd FHA Loan 2000 R-1	12/28/99	12/28/2039	3.25	232,333	235,470
Oldtown Rd FHA Loan 2000 R-2	12/28/99	12/28/2039	3.25	237,173	240,376
Grahmtown FHA Loan 2001 R-2			4.5	597,236	-
McCoole FHA Loan	1999	2039	4.5	1,062,332	-
Eckhart Allegany Co. Advance	07/01/88	06/30/03	8.0	29,553	56,876
Ellerslie Allegany Co. Advance	01/01/89	06/30/04	8.0	85,476	123,442
Hoffman Allegany Co. Advance	06/30/93	06/30/23	8.0	7,803	9,131
Sub - total				<u>3,426,301</u>	<u>1,854,549</u>
Less: Current maturities of long - term debt				<u>(111,528)</u>	<u>(87,745)</u>
Total Water Districts long - term debt				<u>\$ 3,314,773</u>	<u>\$ 1,766,804</u>
Sanitary Districts Debt:					
Maryland Water Quality Loans					
Bowling Green	1974	2004	5.9	\$ 8,419	\$ 10,926
Bowling Green	1980	2010	5.5	6,099	6,694
Bowling Green	1984	2014	8.3	39,441	41,108
Cresaptown	1974	2004	5.9	9,611	12,472
Cresaptown	1980	2010	5.5	5,846	6,416
Cresaptown	1984	2014	8.3	24,565	25,599
Cresaptown	1986	2015	8.8	12,536	12,986
Bedford Road	1977	2007	5.5	54,719	62,256
Bedford Road	1983	2013	8.2	227,870	240,413
McCoole	1978	2008	5.5	88,297	100,459
Oldtown	1981	2011	6.1	28,056	30,349
Flintstone	1980	2010	6.1	84,168	91,048
Georges Creek	1981	2011	6.1	169,476	181,548
Georges Creek	1982	2012	6.1	295,558	314,081
Celanese Treatment Plant	1991	2010	3.705	302,602	334,710
Mexico Farms	1992	2009	3.705	483,349	543,873
Sub - total				<u>1,840,612</u>	<u>2,014,938</u>

Schedule continued on next page

**ALLEGANY COUNTY, MARYLAND**  
**NOTES TO THE COMBINED FINANCIAL STATEMENTS**  
**JUNE 30, 2002**

**Note 7. Long-Term Debt - Continued**

Revenue Debt - Continued					
Schedule of Revenue Debt - Continued					
Sanitary Districts continued	Date of	Date of	Interest	June 30,	
	Issue	Maturity	Rate (%)	2002	2001
<b>Farmers Home Administration Loans</b>					
Georges Creek	1988	2027	5.0	37,206	37,932
Mexico Farms	1992	2032	5.5	383,561	388,339
Cash Valley Road	1966	2036	4.5	137,423	139,134
Oldtown Road	1966	2036	4.5	521,179	527,666
McCoole Water	1999	2039	4.5	-	1,073,635
Sub - total				<u>1,079,369</u>	<u>2,166,706</u>
<b>Allegany County Advances:</b>					
Bowling Green	07/01/88	06/30/03	8.0	62,270	119,842
Jennings Run	07/01/88	06/30/03	8.0	58,136	111,886
Georges Creek	07/01/88	06/30/03	8.0	30,213	58,147
Georges Creek	07/01/88	06/30/03	8.0	63,262	121,752
Franklin	01/01/89	06/30/04	8.0	15,636	22,581
Bedford Road	01/01/89	06/30/02	8.0	-	9,616
Braddock Run	1991	2007	5.4-7.125	109,159	130,983
Jennings Run	1992	2007	5.4-7.125	88,998	106,792
Georges Creek	1992	2007	5.4-7.125	116,190	139,468
Bedford Road	1992	2007	5.4-7.125	83,155	99,766
I&I Study	2001	2021	5.5	1,165,861	1,200,000
Sub - total				<u>1,792,880</u>	<u>2,120,833</u>
Total				<u>4,712,861</u>	<u>6,302,477</u>
Less: Current maturities of long - term debt				<u>(534,261)</u>	<u>(527,306)</u>
Total Sanitary Districts Long - term Debt				<u>\$ 4,178,600</u>	<u>\$ 5,775,171</u>

The annual requirements to amortize the Water Districts long-term debt outstanding at June 30, 2002 are:

Year Ending June 30,	Farmers Home Admin. Loans		County Advances		Totals	
	Principal	Interest	Principal	Interest	Principal	Interest
2003	39,475	141,481	72,053	8,414	111,528	149,895
2004	41,179	139,777	45,968	3,161	87,147	142,938
2005	42,957	137,999	1,681	352	44,638	138,351
2006	44,815	136,141	1,819	215	46,634	136,356
2007	46,756	134,200	1,311	66	48,067	134,266
2008-2012	266,109	638,671	-	-	266,109	638,671
2013-2017	329,651	575,129	-	-	329,651	575,129
2018-2022	409,077	495,703	-	-	409,077	495,703
2023-2027	508,534	396,246	-	-	508,534	396,246
2028-2032	614,812	271,046	-	-	614,812	271,046
2033-2037	636,026	16,871	-	-	636,026	16,871
2038-2039	324,078	22,069	-	-	324,078	22,069
Totals	<u>3,303,469</u>	<u>3,105,333</u>	<u>122,832</u>	<u>12,208</u>	<u>3,426,301</u>	<u>3,117,541</u>

The annual requirements to amortize the Sanitary Districts long-term debt outstanding at June 30, 2002 are:

Year Ending June 30,	Water Quality Loans		Farmers Home Admin. Loans		County Advances		Totals	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2003	182,931	98,961	14,388	52,337	336,943	102,342	534,262	253,640
2004	192,003	89,890	15,103	51,623	125,684	81,951	332,790	223,464
2005	201,516	81,329	15,854	50,873	119,681	74,411	337,051	206,613
2006	204,892	70,254	16,642	50,085	121,921	67,201	343,455	187,540
2007	215,122	60,024	17,469	49,257	124,248	59,867	356,839	169,148
2008-2012	753,064	147,548	101,291	232,339	264,243	234,135	1,118,598	614,022
2013-2017	91,084	9,344	129,197	204,433	346,595	151,783	566,876	365,560
2018-2022	-	-	164,883	168,747	353,565	45,137	518,448	213,884
2023-2027	-	-	210,543	123,086	-	-	210,543	123,086
2028-2032	-	-	254,955	66,084	-	-	254,955	66,084
2033-2037	-	-	139,044	11,860	-	-	139,044	11,860
2038-2039	-	-	0	0	-	-	0	0
Totals	<u>1,840,612</u>	<u>557,350</u>	<u>1,079,369</u>	<u>1,060,724</u>	<u>1,792,880</u>	<u>816,827</u>	<u>4,712,861</u>	<u>2,434,901</u>

**ALLEGANY COUNTY, MARYLAND**  
**NOTES TO THE COMBINED FINANCIAL STATEMENTS**  
**JUNE 30, 2002**

**Note 7. Long-Term Debt - Continued**

The following is a summary of debt transactions for the discretely presented funds for the fiscal year ended June 30, 2002

Discretely Presented Component Unit Debt					
				Allegany College	
Payable at July 1, 2001				\$ 320,901	
Amount issued				240,221	
Amount retired				(83,810)	
Payable at June 30, 2002				<u>\$ 477,312</u>	
Schedule of Long - term Debt					
	Date of Issue	Date of Maturity	Interest Rate (%)	June 30,	
				2002	2001
Allegany College Leases Payable	Various	Various	2.75-15.13	\$ 477,312	\$ 320,901
Total Allegany College Long - term Debt				<u>\$ 477,312</u>	<u>\$ 320,901</u>
The annual requirements to amortize the long - term debt outstanding as of June 30, 2002 of Allegany County's discretely presented component units are as follows:					
	Year ending June 30,			Allegany College	
	2003			\$ 127,653	
	2004			120,945	
	2005			104,410	
	2006			101,176	
	2007			20,029	
	2008 - and beyond			<u>3,099</u>	
	Totals			477,312	
	Less interest			76,584	
	Principal			<u>\$ 400,728</u>	

**Note 8. Pension and Retirement Systems**

**Allegany County Primary Government**

**Plan Descriptions**

Allegany County contributes to the Maryland State Retirement and Pension Systems ("Systems"). Both systems are cost sharing multiple-employer defined benefit plans. The Systems were established by Article 73B of the Annotated Code of Maryland to provide retirement, disability, annual cost-of-living adjustments and death benefits to plan members and their beneficiaries. Responsibility for the organization and administration of the Systems is vested in the Board of Trustees of the Maryland State Retirement and Pension Systems. The retirement and pension systems issue a publicly available financial report, which includes

**ALLEGANY COUNTY, MARYLAND**  
**NOTES TO THE COMBINED FINANCIAL STATEMENTS**  
**JUNE 30, 2002**

**Note 8. Pension and Retirement Systems-Continued**

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**Allegany County Primary Government**

**Plan Descriptions Continued**

financial statements and required supplementary information. The report may be obtained by writing to the following:

Maryland State Retirement Agency  
301 W. Preston Street  
Baltimore, Maryland 21201

Allegany County has also established two defined contribution plans; the County Administrator's Retirement Plan and the Management Contractual Employees Retirement Plan, to provide retirement benefits to certain contractual employees of the County. The ICMA Retirement Corporation administers both plans. At June 30, 2002, there are 7 members enrolled in the plans.

**Funding Policy**

Employees covered under the retirement system are required to contribute five percent of their base salary, and the County is required to contribute at an actuarially determined rate. The current rate is 9.17% of covered payroll. The employees belonging to the pension system must contribute two percent of their base salary and five percent of the base salary that exceeds the social security wage base. The County is required to contribute at an actuarially determined rate also. The contribution rate for the County is currently 4.17% of covered payroll. The contribution requirements of plan members and Allegany County are established and may be amended by the plan's board of trustees. Allegany County's contributions for the years ended June 30, 2002, 2001, 2000, were \$575,289, \$636,150, and \$710,846, respectively, equal to the required employer contributions for each year.

The two defined contribution plans require the County to contribute 9% to the Administrators Retirement Plan and 4.17% to the Management Contractual Employees Retirement Plan of annual covered payroll. The annual covered payroll was \$384,283 and the required contribution was \$20,605, which was made. Plan provisions and contribution requirements are established and may be amended by the County Commissioners.

The financial statements of the defined contribution plans are prepared using the accrual basis of accounting. Employer and plan member contributions are recognized in the period the contributions are due. Plan investments are reported at fair market value.



**ALLEGANY COUNTY, MARYLAND**  
**NOTES TO THE COMBINED FINANCIAL STATEMENTS**  
**JUNE 30, 2002**

**Note 8. Pension and Retirement Systems-Continued**

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**Allegany County Component Units**

**Board of Education-Component Unit**

The Board of Education participates in the Maryland State Retirement System part of the same cost sharing multiple-employer defined benefit pension and retirement systems the County participates in. The employees are covered under either the Teachers' Retirement System, the Employees' Retirement System, the Teachers' Pension System or the Employees' Pension System Plans. A copy of the report can be obtained by writing to the Maryland State Retirement Agency at the address listed above.

Members of the retirement systems entering on or after July 1, 1973 are required to contribute 5% or 7%, based on personal election, of earnable compensation; members before that date contribute the lesser of 5% or the percentage they were contributing prior to July 1, 1973.

Members of the contributory pensions are required to make contributions of 2% of earnable compensation. The Board of Education is required to contribute at an actuarially determined rate for individuals in the employee retirement system and the employee contributory pension system. The current rates are 9.17% and 4.17% respectively. The contribution requirements of plan members and the Board are established and may be amended by the State Retirement and Pension System Board of Trustees. The Board contributions for the years ended June 30, 2002, 2001 and 2000 were \$675,213, 747,297 and, \$807,519, respectively, equal to the required contributions for each year.

**Allegany County Library System-Component Unit**

The employees of the Library are provided retirement benefits through the Maryland State Retirement Systems; the same cost sharing multiple-employer defined benefit retirement system in which the County participates. All employees of the Library System except custodial personnel are covered by the Maryland State Teacher's Retirement Systems. The Maryland State Department of Education is directly responsible for all financial and administrative requirements of the employees' participation in the Teachers Retirement System. The Library System itself is only financially and administratively responsible for custodial employees' participation in the Maryland State Retirement Systems. As of year-end, all custodial employees participated in the pension system. Detailed information on the Library's retirement plan provisions, funding status, required contributions and trends may be obtained in their financial reports for the period ending June 30, 2002. The Library's contributions for the years ended June 30, 2002, 2001 and 2000 were \$3,501, \$4,184, and \$4,417, respectively, equal to the required employer contributions for custodial staff for each year. All payments have been made by the State of Maryland for the non-custodial employees.

**ALLEGANY COUNTY, MARYLAND**  
**NOTES TO THE COMBINED FINANCIAL STATEMENTS**  
**JUNE 30, 2002**

**Note 8. Pension and Retirement Systems-Continued**

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**Allegany College-Component Unit**

The College's permanent employees are provided pension benefits through one of several pension plans: Maryland State Teachers' Retirement System, Maryland State Teachers' Pension System, TIAA/CREF Retirement Plan, Maryland State Employees' Retirement System, and the Maryland State Employees' Pension System. All of the plans the College participates in are the same cost sharing multiple-employer defined benefit plans the County participates in, with the exception of TIAA/CREF Retirement Plan which is a separate plan the County is not associated with. The State of Maryland is responsible for funding the employee portion of pension costs for substantially all employees covered by the Teachers' Retirement System, Teachers' Pension System, and the TIAA/CREF Retirement Plan.

Detailed information on the College's retirement plan provisions, funding status, required contributions and trends may be obtained in their financial reports for the period ending June 30, 2002. Allegany College's contributions for the years ended June 30, 2002, 2001 and 2000 were \$47,577, \$57,812, and \$60,600, respectively, equal to the required employer contributions for each year. All payments have been made by the State of Maryland for those employees for which they are responsible.

**LaVale Sanitary Commission – Component Unit**

The Sanitary Commission provides a defined benefit pension plan for all their full-time employees. The plan is a single employer non-contributory plan and is not a part of any of the plans the County participates in. Detailed information on LaVale Sanitary Commission's retirement plan provisions, funding status, required contributions and trends may be obtained in their financial reports for the period ending June 30, 2001. LaVale Sanitary's contributions for the years ended June 30, 2001, 2000 and 1999 were \$71,403, \$133,223, and \$36,938, respectively, equal to the required employer contributions for each year.

**Note 9. Other Required Fund Disclosures**

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**A. Fund deficits**

The Allegany County Revolving Building Fund had a deficit balance at June 30, 2002 of \$24,408. The deficit will be funded by Federal grants for several economic development projects.

The Capital Improvement Projects Fund had a deficit fund balance of \$151,628 and the Public Improvement Bonds of 1998 Capital Projects Fund had a deficit fund balance of \$522,691 at June 30, 2002. Both deficits will be funded by Federal and State grants in future years as certain projects are completed.

**ALLEGANY COUNTY, MARYLAND**  
**NOTES TO THE COMBINED FINANCIAL STATEMENTS**  
**JUNE 30, 2002**

**Note 9. Other Required Fund Disclosures - Continued**

**B. Expenditures and other financial uses over budget in individual budgeted funds**

The following funds had an excess of actual expenditures and other financing uses over budget for the year ending June 30, 2002:

Fund	Excess
Debt Service Fund	9,533,110
Drug Task Force Fund	194
Public Improvement Bond of 1998 Capital Project Fund	273,150
Public Improvement Bond of 2001 Capital Project Fund	223,705

- The expenditures over budget in the Debt Service Fund were funded by bond proceeds used to refund various bond issues or portions of bond issues.
- The Drug Task Force expenditures over budget were funded by cash seized during drug raids and forfeited.
- The expenditures over budget in the Public Improvement Bond of 1998 Capital Projects Fund were funded by unexpended fund balance accumulated in prior years.
- The expenditures over budget in the Public Improvement Bond of 2001 Capital Projects Fund were funded by bond proceeds and interest earnings on those bond proceeds.

**C. Transfers to component units and interfund transfers**

Transfers to component units for the year ending June 30, 2002 are as follows:

Transferred From: Transferred To:	Amount	Total By Fund Type
From the General Fund to:		
Board of Education	\$ 25,030,000	
Board of Education, Data Processing	241,024	
Allegany College	5,275,000	
Library	740,000	\$ 31,286,024
From the County Capital Projects Funds to:		
Board of Education	1,271,462	1,271,462
	\$ 32,557,486	\$ 32,557,486

**ALLEGANY COUNTY, MARYLAND**  
**NOTES TO THE COMBINED FINANCIAL STATEMENTS**  
**JUNE 30, 2002**

**Note 9. Other Required Fund Disclosures-Continued**

**C. Transfers to component units and transfers to other funds – continued**

Transfers to other funds for the year ending June 30, 2002 are as follows:

Transferred From: Transferred To:	Amount	Total By Fund
From the General Fund to:		
Highway Fund	\$ 1,604,330	
Transit Fund	124,705	
Community Development & Housing Fund	177,382	
Narcotics Task Force Fund	16,811	
Fire, Rescue and Public Safety Fund	3,500	
Revolving Building Fund	25,465	
Debt Service Fund	4,935,779	
Pay-As-You-Go Capital Reserve Fund	110,203	
Loan Fund	152,000	\$ 7,150,175
From the Highway Fund to:		
Pay-As-You-Go Capital Reserve Fund	305,268	305,268
From the Community Development Block Grant Fund to:		
Community Development & Housing Fund	14,694	
Debt Service Fund	2,284	16,978
From the Revolving Bldg Fund to:		
General Fund	130,636	
Debt Service Fund	1,117,221	1,247,857
From the Pay-As-You-Go Capital Reserve Fund to:		
General Fund	20,000	
Revolving Building Fund	100,000	
Debt Service Fund	43,542	
Pay-As-You-Go Capital Reserve Fund	650,000	813,542
From the 1998 Public Imp Bonds Fund to:		
Revolving Building Fund	337,046	
Capital Improvement Projects Fund	66,234	403,280
From the 2001 Public Imp Bonds Fund to:		
Pay-As-You-Go Capital Reserve Fund	16,285	16,285
From the County Loan Fund to:		
General Fund	902,907	902,907
<b>TOTALS</b>	<b>\$ 10,856,292</b>	<b>\$ 10,856,292</b>

**D. Advances To/From Other Funds**

Advances to/from other funds as of June 30, 2002 are as follows:

	Advances to Other Funds	Advances from Other Funds
General Fund	\$ 1,638,422	
Nursing Home Fund		\$ 738,422
Sanitary Districts		900,000
County Loan Fund	1,915,712	
Allegany County Sanitary Districts:		
Long-term debt		1,455,938
Current portion of long-term debt		336,942
Allegany County Water Districts:		
Long-term debt		50,779
Current portion of long-term debt		72,053
	<b>\$ 3,554,134</b>	<b>\$ 3,554,134</b>

The amounts owed to the General fund from the Nursing Home and Sanitary District Funds and the amounts owed to the County Loan Fund from the Sanitary District and Water District Funds are reported as advances to indicate that such amounts are long-term assets and are not to be considered as "available spendable resources."

**ALLEGANY COUNTY, MARYLAND**  
**NOTES TO THE COMBINED FINANCIAL STATEMENTS**  
**JUNE 30, 2002**

**Note 9. Other Required Fund Disclosures-Continued**

**E. Interfund Receivables/Payables**

Interfund receivable and payable balances as of June 30, 2002 are as follows:

	Due from Other Funds	Due to Other Funds
General Fund	\$ -	\$ 3,686,235
Special Revenue Funds:		
Highway Fund	778,039	4,839
Coal Haul Roads Fund	523,332	-
Transit Fund	754,825	-
Office of Children, Youth and Families Fund	842,106	-
Community Development Block Grant Fund	138,878	-
CDBG Program Income Fund	54,479	-
Community Development & Housing Fund	148,362	-
Narcotics Task Force Fund	21,235	-
Revolving Building Fund	-	252,311
State Fire and Rescue Fund	3,656	-
Sub-total	3,264,912	257,150
Debt Service Fund	1,400,000	-
Capital Project Funds:		
Non - Industrial Development Fund	-	1,231,669
Pay - As - You - Go Fund	-	144,826
Public Imp. Bonds of 1997 & 1998 Fund	-	10,431
Sub-total	-	1,386,926
Agency Fund	110,225	-
Enterprise Funds:		
Water Districts	-	735,728
Sanitary Districts	2,459,216	1,796,965
County Loan Fund	628,651	-
Sub-total	3,087,867	2,532,693
<b>TOTALS</b>	<b>\$ 7,863,004</b>	<b>\$ 7,863,004</b>

**Note 10. Risk Management**

The County is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters for which it carries commercial insurance. The County retains no risk for claims up to the maximum amount of the policy except for deductible amounts. During the fiscal year and for the three prior fiscal years, the County did not have any losses exceeding its insurance coverage.

**ALLEGANY COUNTY, MARYLAND**  
**NOTES TO THE COMBINED FINANCIAL STATEMENTS**  
**JUNE 30, 2002**

**Note 11. Pending Claims and Litigation**

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The County is the defendant in several lawsuits in which plaintiffs are seeking to recover amounts from the County as a result of alleged damages incurred by those plaintiffs. Although the outcome of these lawsuits and any other potential proceeding, lawsuit or claim that is pending or threatened are not presently determinable, it is the opinion of the County's legal counsel and County management that resolution of these matters will not have a material effect on the financial condition of the County.

**Note 12. Deferred Revenues**

---

Allegany County reports deferred revenue on its combined balance sheets. Deferred revenues arise when a potential revenue does not meet both the "measurable" and "available" criteria for recognition in the current period. Deferred revenues also arise when resources are received by the County before it has a legal claim to them, as when grant monies are received prior to the occurrence of qualifying expenditures. In subsequent periods, when both revenue recognition criteria are met, or when the County has a legal claim to the resources, the liability for deferred revenue is removed from the combined balance sheets and revenue is recognized.

The following is a summary of deferred revenues on property taxes:

Balance at June 30, 2001	\$ 2,590,263
Less: FY2002 collections of previously deferred delinquent taxes greater than deferrals of current property taxes	<u>-43,482</u>
Balance at June 30, 2002	<u>\$ 2,546,781</u>

**Note 13. Compensated Absences**

---

Statement 16 of the Governmental Accounting Standards Board (GASB) – Accounting For Compensated Absences requires employers to accrue a liability for certain future vacation, sick, and other leave benefits, provided the following conditions are met:

- a. The employer's obligation relating to employees' rights to receive compensation for future absences is attributable to employees' services already rendered.
- b. The obligation relates to rights that vest.
- c. Payment of the compensation is probable and not contingent on a specific event outside the control of the County or the employee.
- d. The amount can be reasonably estimated.

In addition, GASB Statement 16 states that the amount of compensated absences recorded as expenditures in governmental funds shall be the amount accrued during the year that would normally be liquidated with expendable available financial resources.

**ALLEGANY COUNTY, MARYLAND**  
**NOTES TO THE COMBINED FINANCIAL STATEMENTS**  
**JUNE 30, 2002**

**Note 13. Compensated Absences - Continued**

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County employees earn vacation time depending upon their length of service and are eligible to use this time in the year in which it is earned. Vacation time may be carried from one year to the next, but may not exceed 200% of the annual accrual at any point in time. Vacation time earned when the 200% ceiling has been reached is accrued as sick time and remains as such. All vacation time outstanding and earned upon leaving County service is paid to the employee at the current salary level.

County employees earn fifteen sick leave days per year with no accumulation ceiling. It is the policy of the County to pay for up to 120 days of sick leave accumulated, upon the retirement of most employees. Thus, an employee may be eligible for up to 120 days of additional pay upon retirement for accumulated sick leave.

Because the County does allow accumulation of vacation and sick leave benefits, estimates have been made and accrued liabilities recorded for the County's governmental fund types in the General Long-Term Account Group as this liability will not normally be paid from available spendable resources. Compensated absence liabilities for the County's proprietary funds are recorded in the funds in which the employment and related liability occurred.

At June 30, 2002, compensated absence liabilities for Allegany County are summarized as follows:

Total Governmental Fund Types	\$ 2,863,389
Nursing Home	331,438
Sanitary Districts	330,754
Total Proprietary Fund Types	662,192
Total Allegany County primary government	\$ 3,525,581

**Note 14. Contingent Liabilities and Commitments**

---

The County and the Allegany County Sanitary Districts participate in a number of state- and federally-assisted grant programs, principal of which are Community Development Block Grants, as well as, Appalachian Regional Commission, Economic Development Administration, and Housing and Urban Development economic development and housing assistance grant programs. These programs are subject to program compliance audits by the grantors or their representatives. The audits of these programs for and including the year ended June 30, 2002 may not have been concluded.

The State of Maryland's Department of the Environment and Allegany County have entered an agreement setting a timetable for fixing the County's combined sewer and storm water system overflow problem. The cost associated with correcting the problem cannot be reasonably estimated. However those costs will likely be spread over an extended period of years and will be borne by the users of the sewer systems.

**ALLEGANY COUNTY, MARYLAND**  
**NOTES TO THE COMBINED FINANCIAL STATEMENTS**  
**JUNE 30, 2002**

**Note 15. Fund Balances – Reserves and Designations**

The financial reports of Allegany County present three general types of fund balances within the governmental fund types, they are:

1. Reserved Fund Balance – the portion of fund balance that is not available for expenditure or is legally segregated for a specific future use.
  2. Designated Fund Balance – the portion of fund balance designated for specific future purposes.
  3. Unreserved/Undesignated Fund Balance – that portion of fund balance available for expenditure.
- The fund balances for the governmental fund types at June 30, 2002, consist of the following:

<b>General Fund</b>			
Reserved Fund Balance for:			
Prepaid expenditures	\$	66,911	
Advance to the Nursing Home		738,421	
Advance to the Sanitary Districts		<u>900,000</u>	
Sub - total			\$ 1,705,332
Designated Fund Balance for:			
Next fiscal year	\$	1,886,196	
Contingencies		5,000,000	
Specific Programs		<u>380,000</u>	
Sub - total			7,266,196
Unreserved/Undesignated			<u>927,162</u>
Total Fund Balance			<u>\$ 9,898,690</u>
<b>Special Revenue Fund Type</b>			
Reserved Fund Balance for:			
Noncurrent assets	\$	297,432	
Prepaid expenditures		71,872	
Fund purposes, legally & contractually		1,210,452	
Inventory		<u>17,696</u>	
Sub - total			\$ 1,597,452
Designated Fund Balance for:			
Next fiscal year	\$	480,751	
Designated for specific programs		<u>0</u>	
Sub - total			480,751
Unreserved/Undesignated			<u>2,078,480</u>
Total Fund Balance			<u>\$ 4,156,683</u>
<b>Debt Service Fund Type</b>			
Designated Fund Balance for:			
Payment of 1996 Public Improvement Bond			<u>\$ 1,400,000</u>
Total Fund Balance			<u>\$ 1,400,000</u>
<b>Capital Projects Fund Type</b>			
Reserved Fund Balance for:			
Fund purposes, legally & contractually			\$ 142,991
Designated Fund Balance for:			
Next fiscal year	\$	1,624,077	
Designated for specific programs		<u>2,280,364</u>	
Sub - total			3,904,441
Unreserved/Undesignated			<u>(1,158,894)</u>
Total Fund Balance			<u>\$ 2,888,538</u>



**ALLEGANY COUNTY, MARYLAND**  
**NOTES TO THE COMBINED FINANCIAL STATEMENTS**  
**JUNE 30, 2002**

**Note 16. Segment Information – Enterprise Funds**

Selected financial information as of and for the year ended June 30, 2002 with respect to the Enterprise Funds of the County.

Results of operations	Water Districts	Sanitary Districts	Nursing Home	County Loan Fund	Totals
Operating Revenues	\$ 1,024,746	\$ 4,341,901	\$ 8,002,624	\$ 174,839	\$ 13,544,110
Less:					
Operating expenses	826,387	3,857,380	7,266,548	-	11,950,315
Depreciation	414,513	1,431,791	169,550	-	2,015,854
Operating Income (Loss)	(216,154)	(947,270)	566,526	174,839	(422,059)
Non-operating					
Income (Loss)	(120,726)	214,503	208	-	93,985
Tax revenues (net)	-	464,622	-	-	464,622
Capital grants	713,112	125,868	-	-	838,980
Operating transfers - in	-	-	-	152,000	152,000
Operating transfers - out	-	-	-	(902,907)	(902,907)
Net Income (Loss)	376,232	(142,277)	566,734	(576,068)	224,621
Residual equity transfer	(240,985)	240,985	-	-	0
Retained earnings, beginning	1,419,783	6,108,549	1,173,573	5,367,847	14,069,752
Retained earnings, ending	\$ 1,555,030	\$ 6,207,257	\$ 1,740,307	\$ 4,791,779	\$ 14,294,373
<b>Financial position</b>					
Assets:					
Current assets	\$ 477,641	\$ 4,901,960	\$ 1,103,781	\$ 2,901,066	\$ 9,384,448
Non - current assets	15,232,598	42,470,693	2,413,910	1,915,713	62,032,914
Total assets	\$ 15,710,239	\$ 47,372,653	\$ 3,517,691	\$ 4,816,779	\$ 71,417,362
Liabilities					
Current liabilities	\$ 951,876	\$ 3,064,271	\$ 490,852	\$ 25,000	\$ 4,531,999
Non - current liabilities	3,314,773	5,409,354	1,069,860	-	9,793,987
Fund equity:					
Contributed capital	9,888,560	32,691,771	216,672	-	42,797,003
Retained earnings	1,555,030	6,207,257	1,740,307	4,791,779	14,294,373
Total liabilities and fund equity	\$ 15,710,239	\$ 47,372,653	\$ 3,517,691	\$ 4,816,779	\$ 71,417,362
Net working capital	\$ (474,235)	\$ 1,837,689	\$ 612,929	\$ 2,876,066	\$ 4,852,449

**ALLEGANY COUNTY, MARYLAND**  
**NOTES TO THE COMBINED FINANCIAL STATEMENTS**  
**JUNE 30, 2002**

**Note 17. Long-Term Receivables**

The following table summarizes the loan receivable balances in the County Loan Fund at June 30, 2002:

Entity	Source of funds	Balance June 30, 2002
Loans:		
MEDCO	General Fund	\$ 1,687,441
Fire Companies	General Fund	\$ 25,000
Western Maryland Scenic Railroad	Gen Fund/PIB of 1988	250,000
City of Frostburg	PIB of 1991	143,495
YMCA	General Fund	100,000
Paving project	General Fund	157,950
Agriculture Expo Building	General Fund	151,537
Community Development Sewer Loans	General Fund	6,992
Allowance for doubtful accounts		(250,000)
Sub-total		2,272,415
Interfund Advances:		
Allegany County Sanitary Districts	Gen Fund/PIB of 1991	1,792,881
Allegany County Water Districts	General Fund	122,832
Sub-total		1,915,713
Total		\$ 4,188,128

The County has established a Loan Fund to account for the long-term receivables due from other entities and the proprietary funds. Except for the payments received from fire companies, which is a revolving pool, the cash receipts are transferred to the General Fund, as they become available. The primary loan due the County is for the Kelly-Springfield Headquarters Building.

During 1987, the County loaned \$3,500,000 to the Maryland Economic Development Company (MEDCO) for the development of a new corporate headquarters for the Kelly-Springfield Tire Company in Cumberland, Maryland. This note is a receivable and is recorded in the County Loan Fund. The new corporate headquarters is owned by MEDCO and leased to the Kelly-Springfield Tire Company. MEDCO is scheduled to repay the County's loan over a twenty-year period at an interest rate of three percent beginning November 1, 1989 with monthly payments ranging from \$0 to \$33,295 with the final payment due October 2, 2007.

As the stated interest rate of three percent is substantially below prevailing market interest rates, generally accepted accounting principles require that the note be discounted utilizing a fair market interest rate.

For this purpose, the County has used an interest rate of nine- percent resulting in a net present value of \$1,647,048 as of May 18, 1987, the date of the County's disbursements to MEDCO. The discount, which amounted to \$1,852,952, was recorded as a reduction in the face amount of the note receivable and as an economic development expenditure in fiscal year 1987. This discount is being amortized over the term of the note.

**ALLEGANY COUNTY, MARYLAND**  
**NOTES TO THE COMBINED FINANCIAL STATEMENTS**  
**JUNE 30, 2002**

**Note 18. Post-Employment Health Care Benefits**

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In addition to providing pension benefits, the County provides health and life insurance, in accordance with County resolutions, to all retired employees with ten years of continuous service. Expenditures for post-retirement health and life insurance premiums are recognized on a pay-as-you-go basis. During fiscal year 2002, expenditures of \$518,513 were recorded for post-retirement benefits for 243 retirees in the governmental and proprietary funds.

**Note 19. Debt Refunding**

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On September 1, 2001, Allegany County advance refunded portions of various general obligation bond issues. The County issued \$9,735,000 of general obligation bonds to refund all or portions of the Public Facilities Bonds of 1988, the Public Facilities Bonds of 1990, the Public Facilities Bonds of 1991, the Public Improvement and Refunding Bonds of 1992, the Public Improvement Bonds of 1996 and the Public Improvement Bonds of 1997 and to pay the costs of issuing the bonds. The proceeds of the Bonds were applied to the purchase of non-callable direct obligations of the United States of America and are held in trust by an escrow agent. As a result, the refunded bonds are considered defeased and the liability was removed from the County's balance sheet in fiscal year 2002. The advance refunding was undertaken to reduce total debt service payments over the next 16 years by \$532,033 and to obtain an economic gain (difference between the present value of the debt service payments of the refunded and refunding bonds) of \$439,785. The amount recorded as debt proceeds from the sale of the general obligation bonds includes \$144,780 of original issue bond premium.

**Note 20. New Reporting Standard**

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In June 1999, the Governmental Accounting Standards Board (GASB) issued Statement 34 "Basic Financial Statements and Management's Discussions and Analysis for State and Local Governments." This Statement establishes new financial reporting requirements for state and local governments throughout the United States. When implemented, it will require new information and restructure much of the information that governments have presented in the past. Comparability with reports issued in all prior years will be affected. The County is required to implement this standard for the fiscal year ending June 30, 2003. The County has not yet determined the full impact that adoption of GASB Statement 34 will have on the financial statements.

# **COMBINING STATEMENTS**

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The Combining Statements  
provide detailed  
information concerning  
financial position and  
results of operations  
when more than one fund  
of a given type exists.

# **GENERAL FUND**

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The General Fund is the general operating fund of the County. This fund is used to account for all financial resources except those required to be accounted for in another fund.

The primary sources of funds in the General Fund are property taxes, income taxes, other local taxes and intergovernmental revenues. The major activities supported are general government, public safety, public works and education.

**ALLEGANY COUNTY, MARYLAND**  
**GENERAL FUND**  
**STATEMENT OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**FOR THE YEAR ENDED JUNE 30, 2002**

	Amended Budget	Actual	Variance Favorable (Unfavorable)
<b>REVENUES</b>			
<u>Taxes:</u>			
Property Taxes:			
Real and personal property	\$ 33,264,560	\$ 32,124,637	\$ (1,139,923)
Payments in lieu of taxes:			
Coal companies	205,000	169,803	(35,197)
Housing Authorities	41,000	32,663	(8,337)
Interest on Delinquent taxes	590,000	631,299	41,299
Sub-total	<u>34,100,560</u>	<u>32,958,402</u>	<u>(1,142,158)</u>
Less:			
Prompt payment discounts	111,000	166,987	(55,987)
Tax credits for elderly	300	-	300
Deferred revenues	50,000	93,695	(43,695)
Industrial exemptions	7,200,000	5,319,288	1,880,712
Coal tax exemptions	250,000	177,875	72,125
Enterprise zone exemptions	80,000	251,193	(171,193)
Brownfield's Credit	30,000	-	30,000
Sub-total	<u>7,721,300</u>	<u>6,009,038</u>	<u>1,712,262</u>
Total Net Property Taxes	<u>26,379,260</u>	<u>26,949,364</u>	<u>570,104</u>
Income Taxes	<u>18,500,000</u>	<u>18,441,780</u>	<u>(58,220)</u>
Other Local Taxes:			
Hotel/motel tax	180,000	178,712	(1,288)
Admissions	200,000	203,040	3,040
Recordation	610,000	756,632	146,632
911 Fees	290,000	431,936	141,936
Trailer court	70,000	71,949	1,949
Transfer Tax	115,000	123,323	8,323
Total Local Taxes	<u>1,465,000</u>	<u>1,765,592</u>	<u>300,592</u>
Total Taxes	<u>46,344,260</u>	<u>47,156,736</u>	<u>812,476</u>
<u>Licenses and Permits:</u>			
Alcoholic beverages licenses	83,000	82,942	(58)
Amusement licenses	15,000	5,254	(9,746)
Traders licenses	89,000	93,307	4,307
Occupational licenses	1,300	1,000	(300)
Animal licenses	15,000	18,462	3,462
Building permits	31,000	40,249	9,249
Marriage licenses	6,000	5,420	(580)
Cable franchise fees	250,000	281,767	31,767
Sediment control permits	20,000	29,817	9,817
Total Licenses and Permits	<u>510,300</u>	<u>558,218</u>	<u>47,918</u>

Continued

**ALLEGANY COUNTY, MARYLAND**  
**GENERAL FUND**  
**STATEMENT OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**FOR THE YEAR ENDED JUNE 30, 2002**

	Amended Budget	Actual	Variance Favorable (Unfavorable)
<b>REVENUES (Con't):</b>			
<u>Intergovernmental:</u>			
Federal Funds:			
Domestic Violence program	111,855	49,416	(62,439)
Civil defense	30,000	38,835	8,835
FEMA Grant	25,546	25,546	0
EMT Grant	20,000	12,394	(7,606)
MTA Grant	61,500	49,846	(11,654)
MTA Transportation planning	80,840	58,339	(22,501)
Health and Human Services Grant	212,935	227,552	14,617
Med Trans Grant	333,727	416,932	83,205
Child support enforcement	159,674	128,007	(31,667)
Food distribution to the needy	12,300	12,573	273
Summer camp program	2,500	2,440	(60)
Emergency shelter grant	38,120	39,572	1,452
Supportive housing grant	136,000	125,416	(10,584)
ARC Grants	30,000	30,000	0
Masters program	90,946	88,605	(2,341)
Miscellaneous federal grants	23,689	471	(23,218)
Payments in lieu of property taxes	2,400	7,091	4,691
Sub-total Federal funds	<u>1,372,032</u>	<u>1,313,035</u>	<u>(58,997)</u>
State Funds:			
Public Health	22,000	22,164	164
State Health Grant	12,600	6,187	(6,413)
Police protection	220,000	217,797	(2,203)
State 911 grant	900	-	(900)
Alltrans Grant	182,937	249,103	66,166
State transportation planning	10,105	7,292	(2,813)
Summer camp program	11,000	10,950	(50)
Juvenile services grant	13,718	11,914	(1,804)
JSA Crisis Intervention	22,845	21,290	(1,555)
Dept. of Social Services	96,500	96,116	(384)
Department of Natural Resources	150,000	107,885	(42,115)
Conservation aid salary	20,000	20,000	0
Program Open Space grant	380,000	226,388	(153,612)
Fire suppression, DNR	1,000	5,914	4,914
Disparity grant	5,264,420	5,264,420	0
State Jury Reimbursement	49,000	41,100	(7,900)
Governors Office of Crime Control	92,516	55,846	(36,670)
Dept. of Public Safety	10,000	10,008	8
Work Crew Supervisor	40,000	38,721	(1,279)
Miscellaneous	173,208	268,177	94,969
Sub-total State Funds	<u>6,772,749</u>	<u>6,681,272</u>	<u>(91,477)</u>

Continued

**ALLEGANY COUNTY, MARYLAND**  
**GENERAL FUND**  
**STATEMENT OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**FOR THE YEAR ENDED JUNE 30, 2002**

	Amended Budget	Actual	Variance Favorable (Unfavorable)
<b>REVENUES (Con't)</b>			
<u>Intergovernmental (con't):</u>			
Other Intergovernmental:			
Other agencies	29,064	19,794	(9,270)
Sub-total Other Intergov'tal:	29,064	19,794	(9,270)
Total Intergovernmental	8,173,845	8,014,101	(159,744)
<u>Service Charges:</u>			
General government charges:			
State civil process	25,000	26,170	1,170
Child support incentive	8,000	-	(8,000)
Sheriff fees	6,000	8,017	2,017
Publication sales	-	(4,036)	(4,036)
Plans & specifications	3,000	6,050	3,050
Regulation & Maps	3,000	2,948	(52)
Tax sale fees	15,000	11,197	(3,803)
Election Filing fee	-	445	445
Security interest filing fee	100	390	290
License application fees	8,800	8,240	(560)
Liquor License transfer fee	4,000	2,021	(1,979)
Semiannual service charge	-	6	6
Health Ins Admin fee	700	1,299	599
Collection fees-special areas	35,000	36,094	1,094
Liquor License Collection fee	3,500	3,379	(121)
Hotel/Motel collection fee	6,000	7,224	1,224
Partial payment fee	1,500	1,188	(312)
Engineering fees	100,000	28,951	(71,049)
Miscellaneous general gov't	227,704	597,135	369,431
Sub-total general gov't charges	447,304	736,718	289,414
Public safety charges:			
Police protection charges	8,000	17,588	9,588
Fingerprinting fee	1,500	1,460	(40)
Jail work release	27,720	45,147	17,427
Boarding state prisoners	215,000	119,401	(95,599)
Boarding Federal prisoners	455,520	-	(455,520)
Community service fee	10,500	11,550	1,050
Home detention fee	35,000	35,200	200
Inmate Medical Copay	1,000	1,099	99
Building Inspection fees	45,000	31,209	(13,791)
Sub-total public safety charges	799,240	262,654	(536,586)
Sanitation and Waste Removal:			
Landfill fees	100,000	100,124	124
Recycling fees	112,500	104,682	(7,818)
Recycled material sales	15,000	13,475	(1,525)
Sub-total Sanitation and Waste	227,500	218,281	(9,219)

Continued



**ALLEGANY COUNTY, MARYLAND**  
**GENERAL FUND**  
**STATEMENT OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**FOR THE YEAR ENDED JUNE 30, 2002**

	Amended Budget	Actual	Variance Favorable (Unfavorable)
<b>REVENUES (Con't):</b>			
<u>Service Charges (con't):</u>			
Health service charges:			
Dog adoption fees	17,000	21,275	4,275
Sub-total Health service charges	17,000	21,275	4,275
Recreation Charges:			
Host fee, Rocky Gap	70,000	69,220	(780)
Hotel fee, Rocky gap	110,000	89,594	(20,406)
Sub-total recreation service charges	180,000	158,814	(21,186)
Public service enterprises:			
Upper Potomac River Commission	237,360	186,356	(51,004)
AllTrans fares	19,000	11,600	(7,400)
Road closing fees	500	600	100
Sub-total public service charges	256,860	198,556	(58,304)
Total Service Charges	1,927,904	1,596,298	(331,606)
<u>Fines and Forfeitures:</u>			
Circuit court fines	8,000	8,487	487
Criminal court costs	200	-	(200)
Dog ordinance fines	11,000	18,040	7,040
Other fines	6,400	2,200	(4,200)
Total Fines and Forfeitures	25,600	28,727	3,127
<u>Miscellaneous:</u>			
Interest	888,668	504,137	(384,531)
Rents and concessions	151,000	176,044	25,044
Contributions & donations	3,439	12,500	9,061
Sale of surplus property	104,000	160,849	56,849
Miscellaneous	82,000	92,007	10,007
Total Miscellaneous	1,229,107	945,537	(283,570)
Total Revenues	58,211,016	58,299,617	88,601
<b>OTHER FINANCING SOURCES:</b>			
Unexpended balance - prior years	1,667,585	-	(1,667,585)
Lease Proceeds	-	-	0
Transfers In:			
Transfers from special revenue funds	130,636	130,636	0
Transfers from capital project funds	15,000	35,000	20,000
Transfers from enterprise funds	823,168	902,907	79,739
Total Transfers In	968,804	1,068,543	99,739
Total Other Financing Sources	2,636,389	1,068,543	(1,567,846)
Total Revenues and Other Financing Sources	60,847,405	59,368,160	(1,479,245)

(continued)

**ALLEGANY COUNTY, MARYLAND  
GENERAL FUND  
STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2002**

	Amended Budget	Actual	Variance Favorable (Unfavorable)
<b>EXPENDITURES:</b>			
<u>General Government:</u>			
Legislative:			
County Commissioners	114,725	117,200	(2,475)
County Commissioners Office	144,877	139,187	5,690
Total legislative	259,602	256,387	3,215
Judicial:			
Alternative dispute resolution	20,000	11,259	8,741
Circuit court masters program	146,164	156,728	(10,564)
Circuit court	270,117	255,266	14,851
Family Law Master	189,568	241,507	(51,939)
Orphans court	32,171	29,172	2,999
State's attorney	681,932	632,658	49,274
State's attorney child support division	228,047	211,594	16,453
Domestic violence program	140,221	82,776	57,445
Domestic violence protective order	90,016	58,324	31,692
Law library	25,000	25,000	0
Victim-Witness coordinator	24,038	25,786	(1,748)
Grand and petit juries	62,255	56,104	6,151
Total Judicial	1,909,529	1,786,174	123,355
Executive:			
Administrator	199,472	193,854	5,618
Elections:			
Registration and elections	217,494	179,701	37,793
Financial Administration:			
Finance Office	535,250	526,207	9,043
Tax Office	403,211	355,793	47,418
Professional services	28,000	22,600	5,400
Total Financial Administration	966,461	904,600	61,861
Legal:			
Legal counsel	164,950	164,062	888
Other legal	48,000	2,985	45,015
Total legal	212,950	167,047	45,903
Personnel Administration:			
Human Resources department	141,392	157,373	(15,981)
Civil service commission	11,455	11,542	(87)
Wellness/Employee recognition	23,265	19,418	3,847
Total personnel administration	176,112	188,333	(12,221)
Planning and Zoning:			
Planning and zoning department	164,591	163,345	1,246
Land use planning	132,926	114,206	18,720
Total Planning and Zoning	297,517	277,551	19,966
General Services:			
County Building Maintenance	923,032	874,279	48,753
Data Processing	123,123	122,016	1,107
Total general services	1,046,155	996,295	49,860

Continued

**ALLEGANY COUNTY, MARYLAND**  
**GENERAL FUND**  
**STATEMENT OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**FOR THE YEAR ENDED JUNE 30, 2002**

	Amended Budget	Actual	Variance Favorable (Unfavorable)
<b>EXPENDITURES (Con't):</b>			
<u>General Government (con't):</u>			
Other general government:			
Liquor control board	98,852	92,111	6,741
Insurance	245,500	216,646	28,854
Employee benefits	247,200	67,070	180,130
Post retirement benefits	451,600	518,513	(66,913)
Total Other General Government	1,043,152	894,340	148,812
Total General Government	6,328,444	5,844,282	484,162
<u>Public Safety:</u>			
Police:			
Sheriffs department	1,448,592	1,501,928	(53,336)
Hot Spot Grant	10,000	6,910	3,090
Aggressive driver grant	-	2,509	(2,509)
Highway Safety	9,064	4,526	4,538
Foreign vehicle registration	10,000	9,565	435
C3I Unit	10,000	9,868	132
Family Agency network	45,657	46,228	(571)
Local law enforcement grant	15,950	15,950	0
Police grant health department	2,500	1,109	1,391
Marijuana eradication	2,000	295	1,705
Total Police	1,553,763	1,598,888	(45,125)
Fire:			
Suppression of forest fires	8,500	11,849	(3,349)
Volunteer fire companies	844,156	823,300	20,856
Total Fire	852,656	835,149	17,507
Correction:			
County jail maintenance	63,846	62,344	1,502
County jail	4,325,701	3,860,069	465,632
Detention center maintenance	54,719	51,603	3,116
JSA crisis intervention	22,845	21,290	1,555
Juvenile service grant	13,718	11,914	1,804
Alternative sentencing	111,405	102,324	9,081
Jail mental health	12,600	6,427	6,173
Home detention grant	62,981	57,999	4,982
Total Correction	4,667,815	4,173,970	493,845
Other Protection:			
Permits & enforcement	279,899	230,077	49,822
Building Codes	96,129	71,495	24,634
Emergency Management Agency	132,488	90,006	42,482
Transportation planning	107,440	81,008	26,432
Animal control	283,807	268,638	15,169
911	736,529	712,244	24,285
Hazardous materials operations	93,406	63,474	29,932
Emergency medical assistance	40,000	24,798	15,202
Flood Control	25,000	42,227	(17,227)
Project Impact	25,546	19,213	6,333
Total Other Protection	1,820,244	1,603,180	217,064
Total Public Safety	8,894,478	8,211,187	683,291

Continued

**ALLEGANY COUNTY, MARYLAND  
GENERAL FUND  
STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2002**

	Amended Budget	Actual	Variance Favorable (Unfavorable)
<b>EXPENDITURES (Con't):</b>			
<u>Public Works:</u>			
Public Services:			
Airport	250,000	250,000	0
Waste collection:			
Solid waste disposal	357,961	367,838	(9,877)
Solid waste recycling	181,806	152,519	29,287
UPRC	296,700	296,700	0
County engineer	830,505	864,877	(34,372)
Total Public Works	<u>1,916,972</u>	<u>1,931,934</u>	<u>(14,962)</u>
<u>Health and Hospitals:</u>			
Health Dept bldg. maintenance	271,767	238,404	33,363
Allegany County Health Department	32,610	28,490	4,120
Western Maryland Health Planning	4,974	4,974	0
Prehospital Care Coordinator	-	20,000	(20,000)
Total Health and Hospitals	<u>309,351</u>	<u>291,868</u>	<u>17,483</u>
<u>Social Services:</u>			
Medtrans	378,317	462,626	(84,309)
Alltrans	322,987	247,243	75,744
Pauper's burials	1,950	825	1,125
TANF Grant	212,935	219,886	(6,951)
Service linked housing	35,000	34,616	384
Human Resources Devel. Comm.	683,400	683,400	0
Supportive Housing Program	136,000	125,416	10,584
Emergency shelter grant	38,120	39,572	(1,452)
New Hope, Inc.	13,500	13,390	110
Child abuse coordinator	36,981	36,981	0
Family Crisis Center	67,000	67,000	0
Food distribution to the needy	12,300	12,573	(273)
Domestic Violence Council	-	11,000	(11,000)
Total Social Services	<u>1,938,490</u>	<u>1,954,528</u>	<u>(16,038)</u>
<u>Education:</u>			
Maryland School for the Blind	500	-	500
Parkside Flag-in-the-Air	-	6,872	(6,872)
Maryland School for the Blind	<u>500</u>	<u>6,872</u>	<u>(6,372)</u>
<u>Recreation and Culture:</u>			
Program Open Space	395,000	233,764	161,236
Allegany County fair	135,615	134,895	720
Fairgrounds maintenance	77,607	95,909	(18,302)
Allegany County Arts Council	25,000	25,000	0
Cumberland Summer Theatre	7,500	7,500	0
Historic Society	11,500	11,500	0
Agriculture Expo	13,750	13,750	0
Allegany Co. homecoming	7,250	7,250	0
Total Recreation and Culture	<u>673,222</u>	<u>529,568</u>	<u>143,654</u>

(continued)

**ALLEGANY COUNTY, MARYLAND  
GENERAL FUND  
STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2002**

	Amended Budget	Actual	Variance Favorable (Unfavorable)
<b><u>EXPENDITURES (Con't):</u></b>			
<b><u>Conservation of Natural Resources:</u></b>			
Agricultural Extension Service	101,285	90,649	10,636
Soil conservation services	110,369	107,839	2,530
Gypsy Moth control	6,000	14,000	(8,000)
Total Conservation of Natural Resources	<u>217,654</u>	<u>212,488</u>	<u>5,166</u>
<b><u>Community Development &amp; Housing</u></b>			
Office of Project Services	169,842	164,046	5,796
Allegany Co. Public Housing Authority	10,000	10,000	0
Total Community Development & Housing	<u>179,842</u>	<u>174,046</u>	<u>5,796</u>
<b><u>Economic Development:</u></b>			
Department of Economic Development	446,490	406,044	40,446
Scenic railroad development	170,000	170,000	0
Tri-County Council	15,000	15,000	0
Visitors Bureau	243,112	241,196	1,916
Toll House	5,600	2,659	2,941
Thrasher Museum	68,000	50,773	17,227
Thrasher Museum grant	29,378	21,110	8,268
Community promotion	15,000	15,200	(200)
Total Economic Development	<u>992,580</u>	<u>921,982</u>	<u>70,598</u>
<b><u>Miscellaneous:</u></b>			
Contingency	477	-	477
Miscellaneous	30,600	4,678	25,922
Total Miscellaneous	<u>31,077</u>	<u>4,678</u>	<u>26,399</u>
<b><u>Appropriations to Other Governmental Units:</u></b>			
Grants in Lieu of Taxes	28,704	28,704	0
Health Department	938,781	923,884	14,897
Department of Social Services	8,800	8,800	0
Total Appropriations to Other Gov't Units:	<u>976,285</u>	<u>961,388</u>	<u>14,897</u>
Total Expenditures	<u>22,458,895</u>	<u>21,044,821</u>	<u>1,414,074</u>
<b><u>OTHER FINANCING USES:</u></b>			
<b><u>Transfers:</u></b>			
<b><u>Transfers to Component Units:</u></b>			
Allegany Co. Board of Education	25,030,000	25,030,000	0
Allegany College	5,275,000	5,275,000	0
Allegany County Library	740,000	740,000	0
Information Technology	241,024	241,024	0
Total transfers to component units	<u>31,286,024</u>	<u>31,286,024</u>	<u>0</u>

Continued

**ALLEGANY COUNTY, MARYLAND  
GENERAL FUND  
STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2002**

	Amended Budget	Actual	Variance Favorable (Unfavorable)
<b><u>OTHER FINANCING USES (con't):</u></b>			
<u>Operating Transfers to Other Funds:</u>			
Highway fund	1,604,330	1,604,330	0
Transit Fund	124,705	124,705	0
Housing & Section 8 fund	182,048	177,382	4,666
Narcotics Task Force	16,811	16,811	0
Revolving Building Fund	31,965	25,465	6,500
Public Safety Fund	-	3,500	(3,500)
Debt service Fund	5,142,627	4,935,779	206,848
Pay-As-You-GO Capital Proj.Fund	-	110,203	(110,203)
Loan Fund	-	152,000	(152,000)
Total operating transfers to other funds	<u>7,102,486</u>	<u>7,150,175</u>	<u>(47,689)</u>
 Total Other Financing Uses	 <u>38,388,510</u>	 <u>38,436,199</u>	 <u>(47,689)</u>
 Total Expenditures and Other Financing Uses	 <u>60,847,405</u>	 <u>59,481,020</u>	 <u>1,366,385</u>
 Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	 <u>0</u>	 <u>(112,860)</u>	 <u>(112,860)</u>
 Fund balance, beginning		10,011,550	
Fund balance, ending		<u>\$ 9,898,690</u>	

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# **SPECIAL REVENUE FUNDS**

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Special Revenue Funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditure for specified purposes.

The County Special Revenue Funds are:

**Highway Fund** - the Highway Fund accounts for the cost of maintaining the County's road system. The major sources of revenue are state shared highway revenues and highway users taxes.

**Coal Haul Roads Fund** - this fund accounts for taxes levied on mined coal which are locally restricted for repairing those roads used in transporting coal.

**Transit Fund** - the Transit Fund accounts for the operation of a public transit system. The primary sources of revenues are federal and state grants.

**Office of Children, Youth and Families Fund** - this fund accounts for the revenues from the State Office of Children, Youth and Families which are restricted to providing services to the children, youth and families of Allegany County.

**CDBG Fund** - this fund accounts for revenues from the federal Department of Housing and Urban Development. These revenues are restricted to accomplish the various objectives of CDBG programs.

**Block Grant Program Income Fund** - program income from Community Development Block Grants which are restricted to specific programs are recorded in this fund.

**Community Development and Housing** - this fund accounts for federal grants restricted for low income housing programs as well as various other state and federal housing programs administered by the County.

**Drug Task Force Fund** - this fund accounts for federal and state grants and local seizure revenues that are used to prevent the distribution and manufacture of illegal drugs.

**Revolving Building Fund** - the building fund is used to account for the financial activity arising from economic development efforts to locate businesses in the County and any revenue derived from those efforts.

**State Fire and Rescue Fund** - this fund accounts for the receipt and distribution of State Section 508 funds to the various County fire and rescue organizations.



**ALLEGANY COUNTY, MARYLAND**  
**SPECIAL REVENUE FUNDS**  
**COMBINING BALANCE SHEET**  
**June 30, 2002**

	Highway Fund	Coal Haul Roads	Transit	Office of Children Youth and Families	Community Development Block Grant	Block Grant Program Income	Community Development & Housing	Drug Task Force	Revolving Building Fund	State Fire and Rescue	Total
<b>ASSETS:</b>											
Current Assets:											
Cash:											
Cash	\$ -	\$ -	\$ 275	\$ -	\$ -	\$ -	\$ -	\$ 89,495	\$ -	\$ -	\$ 89,770
Cash restricted	-	-	-	-	-	31,784	70,514	-	-	-	102,298
Investments	1,000,000	-	-	-	-	-	-	-	250,000	249,468	1,499,468
Receivables:											
Notes and loans receivable	4,839	-	-	-	-	297,432	-	-	-	-	302,271
Other receivables	752,733	-	27,241	34,865	-	81	-	777	699	751	817,147
Due from other funds	778,039	523,332	754,825	842,106	138,878	54,479	148,362	21,235	-	3,656	3,264,912
Other Assets:											
Inventory	-	-	17,696	-	-	-	-	-	-	-	17,696
Prepaid expenditures	-	-	-	11,337	-	-	60,535	-	-	-	71,872
<b>Total Assets</b>	<b>\$ 2,535,611</b>	<b>\$ 523,332</b>	<b>\$ 800,037</b>	<b>\$ 888,308</b>	<b>\$ 138,878</b>	<b>\$ 383,776</b>	<b>\$ 279,411</b>	<b>\$ 111,507</b>	<b>\$ 250,699</b>	<b>\$ 253,875</b>	<b>\$ 6,165,434</b>
<b>LIABILITIES:</b>											
Current Liabilities:											
Accounts payable	\$ 376,460	\$ 1,680	\$ 19,141	\$ 238,086	\$ 14,790	\$ 797	\$ 17,858	\$ 2,862	\$ 22,796	\$ -	\$ 694,470
Accrued payroll	92,915	-	15,608	6,783	-	-	6,269	808	-	-	122,383
Accrued payroll fringe	41,052	-	7,311	1,789	-	-	2,794	475	-	-	53,421
Due to other funds	4,839	-	-	-	-	-	-	-	252,311	-	257,150
Other Liabilities:											
Amounts held in escrow	95,500	-	-	-	-	-	70,514	37,788	-	-	203,802
Deferred revenues	78,582	-	-	532,306	-	-	61,035	-	-	-	671,923
Miscellaneous liabilities	-	-	2,905	2,707	-	10	(20)	-	-	-	5,602
<b>Total Liabilities</b>	<b>689,348</b>	<b>1,680</b>	<b>44,965</b>	<b>781,671</b>	<b>14,790</b>	<b>807</b>	<b>158,450</b>	<b>41,933</b>	<b>275,107</b>	<b>0</b>	<b>2,008,751</b>
<b>FUND EQUITY</b>											
Fund Balance:											
Reserved:											
Reserved for noncurrent assets	-	-	-	-	-	297,432	-	-	-	-	297,432
Reserved for prepaid items	-	-	-	11,337	-	-	60,535	-	-	-	71,872
Reserved for fund purposes	-	521,652	-	95,300	124,088	85,537	60,426	69,574	-	253,875	1,210,452
Reserved for inventory	-	-	17,696	-	-	-	-	-	-	-	17,696
Unreserved:											
Designated for next fiscal year	365,000	-	115,751	-	-	-	-	-	-	-	480,751
Designated for specific programs	-	-	-	-	-	-	-	-	-	-	0
Undesignated	1,481,263	-	621,625	-	-	-	-	-	(24,408)	-	2,078,480
<b>Total Fund Equity</b>	<b>1,846,263</b>	<b>521,652</b>	<b>755,072</b>	<b>106,637</b>	<b>124,088</b>	<b>382,969</b>	<b>120,961</b>	<b>69,574</b>	<b>(24,408)</b>	<b>253,875</b>	<b>4,156,683</b>
<b>Total Liabilities and Fund Equity</b>	<b>\$ 2,535,611</b>	<b>\$ 523,332</b>	<b>\$ 800,037</b>	<b>\$ 888,308</b>	<b>\$ 138,878</b>	<b>\$ 383,776</b>	<b>\$ 279,411</b>	<b>\$ 111,507</b>	<b>\$ 250,699</b>	<b>\$ 253,875</b>	<b>\$ 6,165,434</b>

**ALLEGANY COUNTY, MARYLAND**  
**SPECIAL REVENUE FUNDS**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**FOR THE YEAR ENDED JUNE 30, 2002**

	Highway Fund			Coal Haul Roads Fund			Transit Fund		
	Amended Budget	Actual	Variance Favorable (Unfavorable)	Amended Budget	Actual	Variance Favorable (Unfavorable)	Amended Budget	Actual	Variance Favorable (Unfavorable)
<b>REVENUES:</b>									
Taxes - State Shared	\$ 4,184,362	\$ 4,207,379	\$ 23,017	\$ -	\$ -	\$ 0	\$ -	\$ -	\$ 0
Other local taxes	-	-	0	100,000	76,412	(23,588)	-	-	0
Intergovernmental:									
Federal	-	-	0	-	-	0	452,146	376,219	(75,927)
State	320,000	305,268	(14,732)	-	-	0	180,025	551,706	371,681
Other	-	-	0	-	-	0	-	-	0
Service charges	-	-	0	-	-	0	168,000	160,963	(7,037)
Fines and forfeitures	-	-	0	-	-	0	-	-	0
Miscellaneous	2,000	-	(2,000)	-	-	0	10,000	8,146	(1,854)
Total Revenues	<u>4,506,362</u>	<u>4,512,647</u>	<u>6,285</u>	<u>100,000</u>	<u>76,412</u>	<u>(23,588)</u>	<u>810,171</u>	<u>1,097,034</u>	<u>286,863</u>
<b>OTHER FINANCING SOURCES:</b>									
Unexpended balance - prior years	250,000	-	(250,000)	-	-	0	83,733	-	(83,733)
Proceeds from debt issuance	-	-	0	-	-	0	-	-	0
Transfer from other funds	1,604,330	1,604,330	0	-	-	0	124,705	124,705	0
Total Other Financing Sources	<u>1,854,330</u>	<u>1,604,330</u>	<u>(250,000)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>208,438</u>	<u>124,705</u>	<u>(83,733)</u>
Total Revenues and Other Financing Sources	<u>6,360,692</u>	<u>6,116,977</u>	<u>(243,715)</u>	<u>100,000</u>	<u>76,412</u>	<u>(23,588)</u>	<u>1,018,609</u>	<u>1,221,739</u>	<u>203,130</u>
<b>EXPENDITURES:</b>									
Public safety	-	-	0	-	-	0	-	-	0
Highway	6,360,692	5,779,359	581,333	100,000	25,989	74,011	-	-	0
Other public works	-	-	0	-	-	0	1,018,609	835,155	183,454
Social Services	-	-	0	-	-	0	-	-	0
Community Development & Housing	-	-	0	-	-	0	-	-	0
Economic development	-	-	0	-	-	0	-	-	0
Miscellaneous	-	-	0	-	-	0	-	-	0
Total Expenditures	<u>6,360,692</u>	<u>5,779,359</u>	<u>581,333</u>	<u>100,000</u>	<u>25,989</u>	<u>74,011</u>	<u>1,018,609</u>	<u>835,155</u>	<u>183,454</u>
<b>OTHER FINANCING USES:</b>									
Transfers to other funds	-	305,268	(305,268)	-	-	0	-	-	0
Total Expenditures and Other Financing Uses	<u>6,360,692</u>	<u>6,084,627</u>	<u>276,065</u>	<u>100,000</u>	<u>25,989</u>	<u>74,011</u>	<u>1,018,609</u>	<u>835,155</u>	<u>183,454</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	<u>\$ 0</u>	<u>32,350</u>	<u>\$ 32,350</u>	<u>\$ 0</u>	<u>50,423</u>	<u>\$ 50,423</u>	<u>\$ 0</u>	<u>386,584</u>	<u>\$ 386,584</u>
Fund balance, beginning		<u>1,813,913</u>			<u>471,229</u>			<u>368,488</u>	
Fund balance, ending		<u>\$ 1,846,263</u>			<u>\$ 521,652</u>			<u>\$ 755,072</u>	

(Continued)

**ALLEGANY COUNTY, MARYLAND**  
**SPECIAL REVENUE FUNDS**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**FOR THE YEAR ENDED JUNE 30, 2002**

	Office of Children, Youth & Families			Community Development Block Grant Fund			Block Grant Program Income		
	Amended Budget	Actual	Variance Favorable (Unfavorable)	Amended Budget	Actual	Variance Favorable (Unfavorable)	Amended Budget	Actual	Variance Favorable (Unfavorable)
<b>REVENUES:</b>									
Taxes - State Shared	\$ -	\$ -	\$ 0	\$ -	\$ -	\$ 0	\$ -	\$ -	\$ 0
Other local taxes	-	-	0	-	-	0	-	-	0
Intergovernmental:									
Federal	-	-	0	304,784	281,286	(23,498)	4,694	4,607	(87)
State	1,587,878	839,195	(748,683)	-	-	0	-	-	0
Other	-	27,678	27,678	-	21,250	21,250	-	-	0
Service charges	-	-	0	-	-	0	-	-	0
Fines and forfeitures	-	-	0	-	-	0	-	-	0
Miscellaneous	36,000	17,391	(18,609)	-	-	0	5,400	117,788	112,388
Total Revenues	<u>1,623,878</u>	<u>884,264</u>	<u>(739,614)</u>	<u>304,784</u>	<u>302,536</u>	<u>(2,248)</u>	<u>10,094</u>	<u>122,395</u>	<u>112,301</u>
<b>OTHER FINANCING SOURCES:</b>									
Unexpended balance - prior years	-	-	0	-	-	0	19,475	-	(19,475)
Proceeds from debt issuance	-	-	0	-	-	0	-	-	0
Transfer from other funds	-	-	0	-	-	0	-	-	0
Total Other Financing Sources	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>19,475</u>	<u>0</u>	<u>(19,475)</u>
Total Revenues and Other Financing Sources	<u>1,623,878</u>	<u>884,264</u>	<u>(739,614)</u>	<u>304,784</u>	<u>302,536</u>	<u>(2,248)</u>	<u>29,569</u>	<u>122,395</u>	<u>92,826</u>
<b>EXPENDITURES:</b>									
Public safety	-	-	0	-	-	0	-	-	0
Highway	-	-	0	-	-	0	-	-	0
Other public works	-	-	0	-	10,146	(10,146)	-	-	0
Social Services	1,623,878	866,874	757,004	-	-	0	-	-	0
Community Development & Housing	-	-	0	288,500	213,639	74,861	29,569	5,621	23,948
Economic development	-	-	0	-	-	0	-	-	0
Miscellaneous	-	-	0	-	-	0	-	-	0
Total Expenditures	<u>1,623,878</u>	<u>866,874</u>	<u>757,004</u>	<u>288,500</u>	<u>223,785</u>	<u>64,715</u>	<u>29,569</u>	<u>5,621</u>	<u>23,948</u>
<b>OTHER FINANCING USES:</b>									
Transfers to other funds	-	-	0	16,284	16,978	(694)	-	-	0
Total Expenditures and Other Financing Uses	<u>1,623,878</u>	<u>866,874</u>	<u>757,004</u>	<u>304,784</u>	<u>240,763</u>	<u>64,021</u>	<u>29,569</u>	<u>5,621</u>	<u>23,948</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	<u>\$ 0</u>	<u>17,390</u>	<u>\$ 17,390</u>	<u>\$ 0</u>	<u>61,773</u>	<u>\$ 61,773</u>	<u>\$ 0</u>	<u>116,774</u>	<u>\$ 116,774</u>
Fund balance, beginning		89,247			62,315			266,195	
Fund balance, ending		<u>\$ 106,637</u>			<u>\$ 124,088</u>			<u>\$ 382,969</u>	

(Continued)

**ALLEGANY COUNTY, MARYLAND**  
**SPECIAL REVENUE FUNDS**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**FOR THE YEAR ENDED JUNE 30, 2002**

	Community Development & Housing Fund			Drug Task Force Fund			Revolving Building Fund		
	Amended Budget	Actual	Variance Favorable (Unfavorable)	Amended Budget	Actual	Variance Favorable (Unfavorable)	Amended Budget	Actual	Variance Favorable (Unfavorable)
<b>REVENUES:</b>									
Taxes - State Shared	\$ -	\$ -	\$ 0	\$ -	\$ -	\$ 0	\$ -	\$ -	\$ 0
Other local taxes	-	-	0	-	-	0	-	-	0
Intergovernmental:									
Federal	880,095	684,593	(195,502)	-	-	0	1,464,872	140,955	(1,323,917)
State	245,195	259,964	14,769	-	-	0	143,200	538,621	395,421
Other	-	3,750	3,750	16,811	17,304	493	-	-	0
Service charges	15,500	15,516	16	-	-	0	-	-	0
Fines and forfeitures	-	-	0	30,700	43,281	12,581	-	-	0
Miscellaneous	1,000	172	(828)	4,500	3,712	(788)	1,468,658	1,499,785	31,127
Total Revenues	<u>1,141,790</u>	<u>963,995</u>	<u>(177,795)</u>	<u>52,011</u>	<u>64,297</u>	<u>12,286</u>	<u>3,076,730</u>	<u>2,179,361</u>	<u>(897,369)</u>
<b>OTHER FINANCING SOURCES:</b>									
Unexpended balance - prior years	-	-	0	-	-	0	28,000	-	(28,000)
Proceeds from debt issuance	-	-	0	-	-	0	358,000	-	(358,000)
Transfer from other funds	196,048	192,076	(3,972)	16,811	16,811	0	31,965	462,511	430,546
Total Other Financing Sources	<u>196,048</u>	<u>192,076</u>	<u>(3,972)</u>	<u>16,811</u>	<u>16,811</u>	<u>0</u>	<u>417,965</u>	<u>462,511</u>	<u>44,546</u>
Total Revenues and Other Financing Sources	<u>1,337,838</u>	<u>1,156,071</u>	<u>(181,767)</u>	<u>68,822</u>	<u>81,108</u>	<u>12,286</u>	<u>3,494,695</u>	<u>2,641,872</u>	<u>(852,823)</u>
<b>EXPENDITURES:</b>									
Public safety	-	-	0	68,822	69,016	(194)	-	-	0
Highway	-	-	0	-	-	0	-	-	0
Other public works	-	-	0	-	-	0	-	-	0
Social Services	-	-	0	-	-	0	-	-	0
Community Development & Housing	1,337,838	1,092,406	245,432	-	-	0	-	-	0
Economic development	-	-	0	-	-	0	2,243,568	1,050,067	1,193,501
Miscellaneous	-	-	0	-	-	0	-	-	0
Total Expenditures	<u>1,337,838</u>	<u>1,092,406</u>	<u>245,432</u>	<u>68,822</u>	<u>69,016</u>	<u>(194)</u>	<u>2,243,568</u>	<u>1,050,067</u>	<u>1,193,501</u>
<b>OTHER FINANCING USES:</b>									
Transfers to other funds	-	-	0	-	-	0	1,251,127	1,247,857	3,270
Total Expenditures and Other Financing Uses	<u>1,337,838</u>	<u>1,092,406</u>	<u>245,432</u>	<u>68,822</u>	<u>69,016</u>	<u>(194)</u>	<u>3,494,695</u>	<u>2,297,924</u>	<u>1,196,771</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	\$ <u>0</u>	63,665	\$ <u>63,665</u>	\$ <u>0</u>	12,092	\$ <u>12,092</u>	\$ <u>0</u>	343,948	\$ <u>343,948</u>
Fund balance, beginning		57,296			57,482			(368,356)	
Fund balance, ending		<u>\$ 120,961</u>			<u>\$ 69,574</u>			<u>\$ (24,408)</u>	

(Continued)

**ALLEGANY COUNTY, MARYLAND**  
**SPECIAL REVENUE FUNDS**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**FOR THE YEAR ENDED JUNE 30, 2002**

	State Fire & Rescue Fund			Total All Funds		
	Amended Budget	Actual	Variance Favorable (Unfavorable)	Amended Budget	Actual	Variance Favorable (Unfavorable)
<b>REVENUES:</b>						
Taxes - State Shared	\$ -	\$ -	\$ 0	\$ 4,184,362	\$ 4,207,379	\$ 23,017
Other local taxes	-	-	0	100,000	76,412	(23,588)
Intergovernmental:						
Federal	-	-	0	3,106,591	1,487,660	(1,618,931)
State	236,394	225,150	(11,244)	2,712,692	2,719,904	7,212
Other	-	-	0	16,811	69,982	53,171
Service charges	-	-	0	183,500	176,479	(7,021)
Fines and forfeitures	-	-	0	30,700	43,281	12,581
Miscellaneous	10,600	12,343	1,743	1,538,158	1,659,337	121,179
Total Revenues	<u>246,994</u>	<u>237,493</u>	<u>(9,501)</u>	<u>11,872,814</u>	<u>10,440,434</u>	<u>(1,432,380)</u>
<b>OTHER FINANCING SOURCES:</b>						
Unexpended balance - prior years	251,394	-	(251,394)	632,602	0	(632,602)
Proceeds from debt issuance	-	-	0	358,000	0	(358,000)
Transfer from other funds	-	3,500	3,500	1,973,859	2,403,933	430,074
Total Other Financing Sources	<u>251,394</u>	<u>3,500</u>	<u>(247,894)</u>	<u>2,964,461</u>	<u>2,403,933</u>	<u>(560,528)</u>
Total Revenues and Other Financing Sources	<u>498,388</u>	<u>240,993</u>	<u>(257,395)</u>	<u>14,837,275</u>	<u>12,844,367</u>	<u>(1,992,908)</u>
<b>EXPENDITURES:</b>						
Public safety	498,388	246,300	252,088	567,210	315,316	251,894
Highway	-	-	0	6,460,692	5,805,348	655,344
Other public works	-	-	0	1,018,609	845,301	173,308
Social Services	-	-	0	1,623,878	866,874	757,004
Community Development & Housing	-	-	0	1,655,907	1,311,666	344,241
Economic development	-	-	0	2,243,568	1,050,067	1,193,501
Miscellaneous	-	-	0	0	0	0
Total Expenditures	<u>498,388</u>	<u>246,300</u>	<u>252,088</u>	<u>13,569,864</u>	<u>10,194,572</u>	<u>3,375,292</u>
<b>OTHER FINANCING USES:</b>						
Transfers to other funds	-	-	0	1,267,411	1,570,103	(302,692)
Total Expenditures and Other Financing Uses	<u>498,388</u>	<u>246,300</u>	<u>252,088</u>	<u>14,837,275</u>	<u>11,764,675</u>	<u>3,072,600</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	\$ <u>0</u>	(5,307)	\$ <u>(5,307)</u>	\$ <u>0</u>	1,079,692	\$ <u>1,079,692</u>
Fund balance, beginning		259,182			3,076,991	
Fund balance, ending		<u>\$ 253,875</u>			<u>\$ 4,156,683</u>	

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# **DEBT SERVICE FUND**

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The Debt Service Fund is  
used to account for the accumulation  
of resources and payment of general obligation  
bond principal and interest from  
governmental resources.

The major revenue sources to fund the transfers from other funds to pay debt service expenditures are property taxes in the General Fund and rent income in the Revolving Building Fund.

**ALLEGANY COUNTY, MARYLAND**  
**DEBT SERVICE FUND**  
**STATEMENT OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL**  
**FOR THE YEAR ENDED JUNE 30, 2002**

	Budget	Actual	Variance Favorable (Unfavorable)
<b>OTHER FINANCING SOURCES:</b>			
Transfers from other funds:			
From the General Fund	\$ 5,098,363	\$ 4,935,780	\$ (162,583)
From the Community Development Block Grant Fund	2,284	2,284	0
From the Revolving Building Fund	1,120,491	1,117,221	(3,270)
From the Pay-As-You-Go Capital Projects Fund	44,012	43,542	(470)
From the 2001 Capital Improvement Bond Fund	-	16,285	16,285
Debt Proceeds	-	9,683,148	9,683,148
Total Other Financing Sources	<u>6,265,150</u>	<u>15,798,260</u>	<u>9,533,110</u>
<b>EXPENDITURES:</b>			
Principal payments on :			
General obligation debt	3,479,751	3,521,810	(42,059)
State loans	413,467	414,673	(1,206)
Total principal payments	<u>3,893,218</u>	<u>3,936,483</u>	<u>(43,265)</u>
Interest payments on:			
General obligation debt	1,867,234	1,691,651	175,583
State loans	479,698	480,483	(785)
Total interest payments	<u>2,346,932</u>	<u>2,172,134</u>	<u>174,798</u>
Other expenditures:			
Paying agent fees	25,000	6,495	18,505
Payment to bond escrow agent	-	9,683,148	(9,683,148)
	<u>25,000</u>	<u>9,689,643</u>	<u>(9,664,643)</u>
Total Expenditures	<u>6,265,150</u>	<u>15,798,260</u>	<u>(9,533,110)</u>
Excess (deficiency) of Other Sources Over Expenditures	<u>\$ 0</u>	0	<u>\$ 0</u>
Fund balance, beginning		<u>1,400,000</u>	
Fund balance, ending		<u>\$ 1,400,000</u>	



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# **CAPITAL PROJECT FUNDS**

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The Capital Project Funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities, (other than those financed by enterprise funds).

The County Capital Project Funds are:

Capital Improvements Project Fund - this fund accounts for capital projects that are funded by various sources including federal and state grants.

Pay - As - You - Go Capital Reserve Fund - this fund is used to accumulate resources for future capital projects and is funded by transfers from the General Fund and other sources.

Public Improvement Bonds of 1998 Capital Projects Fund - the proceeds of the 1998 Public Improvement Bonds are accounted for in this fund.

Public Improvement Bonds of 2001 Capital Projects Fund - the proceeds of the 2001 Public Improvement Bonds are accounted for in this fund.

**ALLEGANY COUNTY, MARYLAND**  
**CAPITAL PROJECTS FUNDS**  
**COMBINING BALANCE SHEET**  
**June 30, 2002**

**ASSETS**

	Capital Improvement Projects Fund	Pay-As-You-Go Capital Reserve Fund	Public Improvement Bonds of 1998 Capital Projects Fund	Public Improvement Bonds of 2001 Capital Projects Fund	Total Capital Project Funds
<b>ASSETS</b>					
Cash	\$ -	\$ 1,364,181	\$ -	-	\$ 1,364,181
Cash - Restricted	-	-	1,450	-	1,450
Investments	374,534	2,425,000	430,718	-	3,230,252
Accounts receivable					
Other	1,063,819	110,731	124	-	1,174,674
Due from other funds	-	-	-	-	0
<b>Total Assets</b>	<b>\$ 1,438,353</b>	<b>\$ 3,899,912</b>	<b>\$ 432,292</b>	<b>0</b>	<b>\$ 5,770,557</b>

**LIABILITIES AND FUND EQUITY**

<b>LIABILITIES</b>					
Accounts payable	\$ 358,312	\$ 192,229	\$ 944,552	-	\$ 1,495,093
Accrued payroll	-	-	-	-	0
Accrued payroll fringe	-	-	-	-	0
Due to other funds	1,231,669	144,826	10,431	-	1,386,926
<b>Total Liabilities</b>	<b>1,589,981</b>	<b>337,055</b>	<b>954,983</b>	<b>0</b>	<b>2,882,019</b>
<b>FUND EQUITY</b>					
Fund balance:					
Reserved for fund purposes	-	-	142,991	-	142,991
Unreserved:					
Designated for next fiscal year	62,500	1,479,566	82,011	-	1,624,077
Designated for specific programs	206,261	2,074,103	-	-	2,280,364
Undesignated	(420,389)	9,188	(747,693)	-	(1,158,894)
<b>Total Fund Equity</b>	<b>(151,628)</b>	<b>3,562,857</b>	<b>(522,691)</b>	<b>0</b>	<b>2,888,538</b>
<b>Total Liabilities and Fund Equity</b>	<b>\$ 1,438,353</b>	<b>\$ 3,899,912</b>	<b>\$ 432,292</b>	<b>0</b>	<b>\$ 5,770,557</b>

**ALLEGANY COUNTY, MARYLAND**  
**CAPITAL PROJECT FUNDS**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**FOR THE YEAR ENDED JUNE 30, 2002**

	Capital Improvement Projects Fund			Pay-As-You-Go (PAYGO) Fund		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
<b>REVENUES:</b>						
Intergovernmental						
Federal Funds	\$ 1,876,000	\$ 802,631	\$ (1,073,369)	\$ 1,758,000	\$ 925,130	\$ (832,870)
State Funds	3,683,000	1,306,309	(2,376,691)	1,434,000	1,910,713	476,713
Other	38,000	18,996	(19,004)	-	-	0
Miscellaneous:	-	-	-	-	-	-
Interest	-	8,366	8,366	-	122,890	122,890
Miscellaneous	22,400	-	(22,400)	-	16,392	16,392
Total Revenues	<u>5,619,400</u>	<u>2,136,302</u>	<u>(3,483,098)</u>	<u>3,192,000</u>	<u>2,975,125</u>	<u>(216,875)</u>
<b>OTHER FINANCING SOURCES:</b>						
Unexpended fund balance	225,000	-	(225,000)	3,088,822	-	(3,088,822)
Debt proceeds	-	-	0	166,000	126,048	(39,952)
Transfers from other funds	125,000	113,734	(11,266)	-	1,002,970	1,002,970
Total other financing sources	<u>350,000</u>	<u>113,734</u>	<u>(236,266)</u>	<u>3,254,822</u>	<u>1,129,018</u>	<u>(2,125,804)</u>
Total Revenues and Other Financing Sources	<u>5,969,400</u>	<u>2,250,036</u>	<u>(3,719,364)</u>	<u>6,446,822</u>	<u>4,104,143</u>	<u>(2,342,679)</u>
<b>EXPENDITURES:</b>						
General Government	-	-	0	1,350,000	194,147	1,155,853
Public Safety	1,198,000	1,625,708	(427,708)	1,682,000	1,059,970	622,030
Public Works	1,700,000	907,136	792,864	1,074,000	1,886,024	(812,024)
Health	-	-	0	-	-	0
Social Services	-	-	0	-	-	0
Education	-	-	0	58,810	2,790	56,020
Recreation, Culture & Libraries	-	121,771	(121,771)	75,000	237,928	(162,928)
Conservation of Natural Resources	864,000	136,340	727,660	-	-	0
Economic Development	2,207,400	218,277	1,989,123	1,287,000	37,293	1,249,707
Miscellaneous	-	-	0	-	135,163	(135,163)
Total Expenditures	<u>5,969,400</u>	<u>3,009,232</u>	<u>2,960,168</u>	<u>5,526,810</u>	<u>3,553,315</u>	<u>1,973,495</u>
<b>OTHER FINANCING USES:</b>						
Transfers to other funds	-	-	0	44,012	813,542	(769,530)
Transfers to component units	-	-	0	876,000	1,059,204	(183,204)
Total Other Financing Uses	<u>0</u>	<u>0</u>	<u>0</u>	<u>920,012</u>	<u>1,872,746</u>	<u>(952,734)</u>
Total Expenditures and Other Financing Uses	<u>5,969,400</u>	<u>3,009,232</u>	<u>2,960,168</u>	<u>6,446,822</u>	<u>5,426,061</u>	<u>1,020,761</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	<u>\$ 0</u>	<u>(759,196)</u>	<u>\$ (759,196)</u>	<u>\$ 0</u>	<u>(1,321,918)</u>	<u>\$ (1,321,918)</u>
Fund balance, beginning		607,568			4,884,775	
Fund balance, ending		<u>\$ (151,628)</u>			<u>\$ 3,562,857</u>	

**ALLEGANY COUNTY, MARYLAND**  
**CAPITAL PROJECT FUNDS**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**FOR THE YEAR ENDED JUNE 30, 2002**

Public Improvement Bonds of 1998 Capital Projects Fund			Public Improvement Bonds of 2001 Capital Projects Fund			Total All Capital Projects		
Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
\$ -	\$ -	\$ 0	\$ -	\$ -	\$ 0	\$ 3,634,000	\$ 1,727,761	\$ (1,906,239)
1,180,000	372,427	(807,573)	-	-	0	6,297,000	3,589,449	(2,707,551)
-	1,503	1,503	-	-	0	38,000	20,499	(17,501)
-	17,997	17,997	-	27,073	27,073	-	176,326	176,326
-	3,020	3,020	-	-	0	22,400	19,412	(2,988)
<u>1,180,000</u>	<u>394,947</u>	<u>(785,053)</u>	<u>0</u>	<u>27,073</u>	<u>27,073</u>	<u>9,991,400</u>	<u>5,533,447</u>	<u>(4,457,953)</u>
561,000	-	(561,000)	-	-	0	3,874,822	-	(3,874,822)
-	-	0	-	196,632	196,632	166,000	322,680	156,680
-	-	0	-	-	0	125,000	1,116,704	991,704
<u>561,000</u>	<u>0</u>	<u>(561,000)</u>	<u>0</u>	<u>196,632</u>	<u>196,632</u>	<u>4,165,822</u>	<u>1,439,384</u>	<u>(2,726,438)</u>
<u>1,741,000</u>	<u>394,947</u>	<u>(1,346,053)</u>	<u>0</u>	<u>223,705</u>	<u>223,705</u>	<u>14,157,222</u>	<u>6,972,831</u>	<u>(7,184,391)</u>
-	-	0	-	207,420	(207,420)	1,350,000	401,567	948,433
1,316,000	1,237,168	78,832	-	-	0	4,196,000	3,922,846	273,154
-	-	0	-	-	0	2,774,000	2,793,160	(19,160)
-	-	0	-	-	0	-	-	0
-	-	0	-	-	0	-	-	0
-	0	0	-	-	0	58,810	2,790	56,020
-	6,400	(6,400)	-	-	0	75,000	366,099	(291,099)
-	-	0	-	-	0	864,000	136,340	727,660
300,000	-	300,000	-	-	0	3,794,400	255,570	3,538,830
-	155,044	(155,044)	-	-	0	-	290,207	(290,207)
<u>1,616,000</u>	<u>1,398,612</u>	<u>217,388</u>	<u>0</u>	<u>207,420</u>	<u>(207,420)</u>	<u>13,112,210</u>	<u>8,168,579</u>	<u>4,943,631</u>
125,000	403,280	(278,280)	-	16,285	(16,285)	169,012	1,233,107	(1,064,095)
0	212,258	(212,258)	-	-	0	876,000	1,271,462	(395,462)
<u>125,000</u>	<u>615,538</u>	<u>(490,538)</u>	<u>0</u>	<u>16,285</u>	<u>(16,285)</u>	<u>1,045,012</u>	<u>2,504,569</u>	<u>(1,459,557)</u>
<u>1,741,000</u>	<u>2,014,150</u>	<u>(273,150)</u>	<u>0</u>	<u>223,705</u>	<u>(223,705)</u>	<u>14,157,222</u>	<u>10,673,148</u>	<u>3,484,074</u>
<u>\$ 0</u>	<u>(1,619,203)</u>	<u>\$ (1,619,203)</u>	<u>\$ 0</u>	<u>0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>(3,700,317)</u>	<u>\$ (3,700,317)</u>
	1,096,512			0			6,588,855	
	<u>\$ (522,691)</u>			<u>\$ 0</u>			<u>\$ 2,888,538</u>	

**ALLEGANY COUNTY, MARYLAND**  
**CAPITAL PROJECTS FUND**  
**CAPITAL IMPROVEMENT PROJECT FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BY PROJECT**  
**FOR THE YEAR ENDED JUNE 30, 2002**

	Bowman's Addition Demolition	Lonaconing Acid Mine Drainage	Potomac Hill Acid Mine Drainage	Washington Street Library	Landfill Closeout	\$3.2 Million Flood Grant	Flood Mitigation Locust Grove	Project Impact
<b>REVENUES:</b>								
Intergovernmental:								
Federal:								
FEMA Grant	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	45,338	\$ 614
EPA Grant								
CDBG Grant	243,185	-	-	-	-	-	-	-
Miscellaneous Federal	-	-	-	-	-	-	-	-
State:								
State Aid Highway	-	-	-	-	-	-	-	-
MD Dept. of Environment	-	75,000	-	-	-	-	8,280	-
Historic Preservation								
Program Open Space	-	-	-	-	-	-	-	-
Dept. of Public Safety								
Miscellaneous State Grants	-	37,273	-	-	-	8,755	-	-
Other Intergovernmental	-	-	-	-	-	-	-	-
Miscellaneous:								
Interest	-	-	-	-	7,194	-	-	-
Miscellaneous	-	-	-	-	-	-	-	-
Total Revenues	<u>243,185</u>	<u>112,273</u>	<u>0</u>	<u>0</u>	<u>7,194</u>	<u>8,755</u>	<u>53,618</u>	<u>614</u>
<b>OTHER FINANCING SOURCES:</b>								
Debt Proceeds	-	-	-	-	-	-	-	-
Transfers From:								
General Fund	-	-	-	-	-	-	-	-
Capital Projects Funds	-	-	-	59,723	-	-	6,511	-
Total Transfers In	<u>0</u>	<u>0</u>	<u>0</u>	<u>59,723</u>	<u>0</u>	<u>0</u>	<u>6,511</u>	<u>0</u>
Total Revenues and Other Financing Sources	<u>243,185</u>	<u>112,273</u>	<u>0</u>	<u>59,723</u>	<u>7,194</u>	<u>8,755</u>	<u>60,129</u>	<u>614</u>
<b>EXPENDITURES:</b>								
Public Safety	243,861	-	-	-	-	35,174	58,641	14,320
Public Works	-	-	-	-	47,911	-	-	-
Recreation, Culture	-	-	-	-	-	-	-	-
Libraries	-	-	-	121,771	-	-	-	-
Conservation of Nat'l Resources	-	108,285	382	-	-	-	-	-
Economic Development	-	-	-	-	-	-	-	-
Total Expenditures	<u>243,861</u>	<u>108,285</u>	<u>382</u>	<u>121,771</u>	<u>47,911</u>	<u>35,174</u>	<u>58,641</u>	<u>14,320</u>
<b>OTHER FINANCING USES:</b>								
Transfer to:	-	-	-	-	-	-	-	-
Total Expenditures and Other Financing Uses	<u>243,861</u>	<u>108,285</u>	<u>382</u>	<u>121,771</u>	<u>47,911</u>	<u>35,174</u>	<u>58,641</u>	<u>14,320</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	(676)	3,988	(382)	(62,048)	(40,717)	(26,419)	1,488	(13,706)
Fund Balance, beginning	-	-	-	-	246,978	(24,907)	(1,488)	25,513
Fund Balance, Ending	<u>\$ (676)</u>	<u>\$ 3,988</u>	<u>(382)</u>	<u>\$ (62,048)</u>	<u>\$ 206,261</u>	<u>\$ (51,326)</u>	<u>\$ 0</u>	<u>\$ 11,807</u>

**ALLEGANY COUNTY, MARYLAND**  
**CAPITAL PROJECTS FUND**  
**CAPITAL IMPROVEMENT PROJECT FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BY PROJECT**  
**FOR THE YEAR ENDED JUNE 30, 2002**

Westernport Storm Sewer	Riverside Industrial Park	Pleasant Valley Road	Lonaconing Greenway Park	George's Creek Watershed	Highland Trail	FEMA Geo Creek	Other Projects	Fund Total
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 438,069	\$ -	\$ 484,021
-	-	-	47,472	27,953	-	-	-	75,425
-	-	-	-	-	-	-	-	243,185
-	-	-	-	-	-	-	-	0
-	-	783,744	217,632	-	-	35,000	-	1,036,376
-	-	-	80,000	-	-	51,243	-	214,523
-	-	-	-	-	9,382	-	-	9,382
-	-	-	-	-	-	-	-	0
-	-	-	-	-	-	-	-	0
-	-	-	-	-	-	-	-	46,028
-	-	-	18,996	-	-	-	-	18,996
-	1,172	-	-	-	-	-	-	8,366
-	-	-	-	-	-	-	-	0
<u>0</u>	<u>1,172</u>	<u>783,744</u>	<u>364,100</u>	<u>27,953</u>	<u>9,382</u>	<u>524,312</u>	<u>0</u>	<u>2,136,302</u>
-	-	-	-	-	-	-	-	0
-	-	-	-	-	-	47,500	-	47,500
-	-	-	-	-	-	-	-	66,234
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>47,500</u>	<u>0</u>	<u>113,734</u>
<u>0</u>	<u>1,172</u>	<u>783,744</u>	<u>364,100</u>	<u>27,953</u>	<u>9,382</u>	<u>571,812</u>	<u>0</u>	<u>2,250,036</u>
39,142	-	-	368,830	-	-	865,740	-	1,625,708
-	-	859,225	-	-	-	-	-	907,136
-	-	-	-	-	-	-	-	0
-	-	-	-	-	-	-	-	121,771
-	-	-	-	27,673	-	-	-	136,340
-	117,059	-	-	-	101,218	-	-	218,277
<u>39,142</u>	<u>117,059</u>	<u>859,225</u>	<u>368,830</u>	<u>27,673</u>	<u>101,218</u>	<u>865,740</u>	<u>0</u>	<u>3,009,232</u>
-	-	-	-	-	-	-	-	0
<u>39,142</u>	<u>117,059</u>	<u>859,225</u>	<u>368,830</u>	<u>27,673</u>	<u>101,218</u>	<u>865,740</u>	<u>-</u>	<u>3,009,232</u>
(39,142)	(115,887)	(75,481)	(4,730)	280	(91,836)	(293,928)	0	(759,196)
<u>(45,243)</u>	<u>515,487</u>	<u>(52,928)</u>	<u>(1,289)</u>	<u>(744)</u>	<u>(52,649)</u>	<u>(4,536)</u>	<u>3,374</u>	<u>607,568</u>
<u>\$ (84,385)</u>	<u>\$ 399,600</u>	<u>\$ (128,409)</u>	<u>\$ (6,019)</u>	<u>\$ (464)</u>	<u>\$ (144,485)</u>	<u>\$ (298,464)</u>	<u>\$ 3,374</u>	<u>\$ (151,628)</u>

**ALLEGANY COUNTY, MARYLAND**  
**CAPITAL PROJECTS FUND**  
**PAY-AS-YOU-GO (PAYGO) CAPITAL PROJECT FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BY PROJECT**  
**FOR THE YEAR ENDED JUNE 30, 2002**

<b>REVENUES:</b>	<b>Computer Network</b>	<b>NRCS Flood Projects</b>	<b>Town Creek Bridge</b>	<b>Roads Paving Program</b>	<b>911 Radio System</b>	<b>Lonaconing Roads Garage</b>	<b>Capital Outlay</b>
Federal Grants	\$ -	\$ -	\$ 439,184	\$ -	-	\$ -	\$ -
State Grants	-	-	-	-	-	350,000	-
Miscellaneous:							
Interest	-	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-	-
<b>Total Revenues</b>	<b>0</b>	<b>0</b>	<b>439,184</b>	<b>0</b>	<b>0</b>	<b>350,000</b>	<b>0</b>
<b>OTHER FINANCING SOURCES:</b>							
Lease Proceeds	-	-	-	-	-	-	126,048
Transfers From:							
General Fund	-	(47,500)	-	-	2,210	-	-
Highway Fund	-	-	-	-	-	-	-
Capital Projects Funds	-	-	-	-	-	-	-
<b>Total Transfers In</b>	<b>0</b>	<b>(47,500)</b>	<b>0</b>	<b>0</b>	<b>2,210</b>	<b>0</b>	<b>126,048</b>
<b>Total Revenues and Other Financing Sources</b>	<b>0</b>	<b>(47,500)</b>	<b>439,184</b>	<b>0</b>	<b>2,210</b>	<b>350,000</b>	<b>126,048</b>
<b>EXPENDITURES:</b>							
General Government	15,379	-	-	-	-	-	-
Public Safety	-	48,767	-	-	2,210	-	-
Public Works	-	-	399,065	575,143	-	447,143	-
Education	-	-	-	-	-	-	-
Recreation and Culture	-	-	-	-	-	-	-
Economic Development	-	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-	135,163
<b>Total Expenditures</b>	<b>15,379</b>	<b>48,767</b>	<b>399,065</b>	<b>575,143</b>	<b>2,210</b>	<b>447,143</b>	<b>135,163</b>
<b>OTHER FINANCING USES:</b>							
Transfer to:							
Other funds	-	-	-	-	-	350,000	-
Component Units	-	-	-	-	-	-	-
<b>Total Transfers</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>350,000</b>	<b>0</b>
<b>Total Expenditures and and Other Financing Uses</b>	<b>15,379</b>	<b>48,767</b>	<b>399,065</b>	<b>575,143</b>	<b>2,210</b>	<b>797,143</b>	<b>135,163</b>
<b>Excess (deficiency) of revenues and other sources over expenditures and other uses</b>	<b>(15,379)</b>	<b>(96,267)</b>	<b>40,119</b>	<b>(575,143)</b>	<b>-</b>	<b>(447,143)</b>	<b>(9,115)</b>
<b>Fund Balance, beginning</b>	<b>70,400</b>	<b>123,505</b>	<b>209,750</b>	<b>1,109,917</b>	<b>-</b>	<b>500,000</b>	<b>97,702</b>
<b>Fund Balance, Ending</b>	<b>\$ 55,021</b>	<b>\$ 27,238</b>	<b>\$ 249,869</b>	<b>\$ 534,774</b>	<b>\$ 0</b>	<b>\$ 52,857</b>	<b>\$ 88,587</b>



**ALLEGANY COUNTY, MARYLAND**  
**CAPITAL PROJECTS FUND**  
**PAY-AS-YOU-GO (PAYGO) CAPITAL PROJECT FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BY PROJECT**  
**FOR THE YEAR ENDED JUNE 30, 2002**

Health Department Air Conditioning	George's Creek Flood	Bowman's Addition Flood	Tax Software	Board of Education Capital	Allegany College Reroofing	Geo Creek Elementary Roof	Total This Page
\$ -	\$ -	\$ 485,946	\$ -	\$ -	\$ -	\$ -	\$ 925,130
-	-	410,713	-	-	-	-	760,713
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>0</u>	<u>0</u>	<u>896,659</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1,685,843</u>
-	-	-	-	-	-	-	126,048
10,203	-	-	7,779	-	58,810	(25,528)	5,974
-	-	-	-	305,268	-	-	305,268
-	-	-	-	650,000	-	-	650,000
<u>10,203</u>	<u>0</u>	<u>0</u>	<u>7,779</u>	<u>955,268</u>	<u>58,810</u>	<u>(25,528)</u>	<u>961,242</u>
<u>10,203</u>	<u>0</u>	<u>896,659</u>	<u>7,779</u>	<u>955,268</u>	<u>58,810</u>	<u>(25,528)</u>	<u>2,647,085</u>
-	-	-	48,132	-	-	-	63,511
-	-	1,008,993	-	-	-	-	1,059,970
-	-	-	-	-	-	-	1,421,351
-	-	-	-	-	2,790	-	2,790
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>0</u>	<u>0</u>	<u>1,008,993</u>	<u>48,132</u>	<u>0</u>	<u>2,790</u>	<u>0</u>	<u>135,163</u>
							<u>2,682,785</u>
43,542	-	-	-	-	-	-	393,542
-	-	-	-	955,268	-	61,435	1,016,703
<u>43,542</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>955,268</u>	<u>0</u>	<u>61,435</u>	<u>1,410,245</u>
<u>43,542</u>	<u>0</u>	<u>1,008,993</u>	<u>48,132</u>	<u>955,268</u>	<u>2,790</u>	<u>61,435</u>	<u>4,093,030</u>
(33,339)	-	(112,334)	(40,353)	-	56,020	(86,963)	(1,445,945)
(11,507)	20,312	157,526	40,353	-	-	86,963	2,404,921
<u>\$ (44,846)</u>	<u>\$ 20,312</u>	<u>\$ 45,192</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 56,020</u>	<u>\$ 0</u>	<u>958,976</u>

(Continued)

**ALLEGANY COUNTY, MARYLAND**  
**CAPITAL PROJECTS FUND**  
**PAY-AS-YOU-GO (PAYGO) CAPITAL PROJECT FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BY PROJECT**  
**FOR THE YEAR ENDED JUNE 30, 2002**

	Total Previous Page	John Humbird School	Industrial Park Signage	Jail Reuse	Louise Drive Paving	PPG Water System Repair
<b>REVENUES:</b>						
Federal Grants	\$ 925,130	\$ -	\$ -	\$ -	\$ -	\$ -
State Grants	760,713	-	-	-	-	-
Miscellaneous:						
Interest	0	-	-	-	-	-
Miscellaneous	0	-	-	-	-	-
Total Revenues	<u>1,685,843</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<b>OTHER FINANCING SOURCES:</b>						
Lease Proceeds	126,048	-	-	-	-	-
Transfers From:						
General Fund	5,974	-	-	-	100,000	-
Highway Fund	305,268	-	-	-	-	-
Capital Projects Funds	650,000	-	-	-	-	-
Total Transfers In	<u>1,087,290</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>100,000</u>	<u>0</u>
Total Revenues and Other Financing Sources	<u>2,773,133</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>100,000</u>	<u>0</u>
<b>EXPENDITURES:</b>						
General Government	63,511	-	-	78,071	-	-
Public Safety	1,059,970	-	-	-	-	-
Public Works	1,421,351	-	-	-	267,027	-
Education	2,790	-	-	-	-	-
Recreation and Culture	0	-	-	-	-	-
Economic Development	0	-	2,634	-	-	1,095
Miscellaneous	135,163	-	-	-	-	-
Total Expenditures	<u>2,682,785</u>	<u>0</u>	<u>2,634</u>	<u>78,071</u>	<u>267,027</u>	<u>1,095</u>
<b>OTHER FINANCING USES:</b>						
Transfer to:						
Other funds	393,542	-	-	-	-	-
Component Units	1,016,703	42,501	-	-	-	-
Total Transfers	<u>1,410,245</u>	<u>42,501</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Expenditures and and Other Financing Uses	<u>4,093,030</u>	<u>42,501</u>	<u>2,634</u>	<u>78,071</u>	<u>267,027</u>	<u>1,095</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	(1,319,897)	(42,501)	(2,634)	(78,071)	(167,027)	(1,095)
Fund Balance, beginning	2,404,921	798,244	11,482	587,900	157,950	15,028
Fund Balance, Ending	<u>\$ 1,085,024</u>	<u>\$ 755,743</u>	<u>\$ 8,848</u>	<u>\$ 509,829</u>	<u>\$ (9,077)</u>	<u>\$ 13,933</u>

**ALLEGANY COUNTY, MARYLAND**  
**CAPITAL PROJECTS FUND**  
**PAY-AS-YOU-GO (PAYGO) CAPITAL PROJECT FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BY PROJECT**  
**FOR THE YEAR ENDED JUNE 30, 2002**

PPG Office Building Demolition	Payroll/ Gen Ledger Software Upgrade	Fairgrounds Multipurpose Bldg	Barton Industrial Park Water	OP Road Improvements	Capital Reserves	Other Designated Projects	Fund Total
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 925,130
-	-	1,150,000	-	-	-	-	1,910,713
-	-	-	-	-	122,890	-	122,890
-	-	-	-	16,392	-	-	16,392
<u>0</u>	<u>0</u>	<u>1,150,000</u>	<u>0</u>	<u>16,392</u>	<u>122,890</u>	<u>0</u>	<u>2,975,125</u>
-	-	-	-	-	-	-	126,048
(36,866)	-	44,590	-	-	(65,996)	-	47,702
-	-	-	-	-	-	-	305,268
-	-	-	-	-	-	-	650,000
<u>(36,866)</u>	<u>0</u>	<u>44,590</u>	<u>0</u>	<u>0</u>	<u>(65,996)</u>	<u>0</u>	<u>1,129,018</u>
<u>(36,866)</u>	<u>0</u>	<u>1,194,590</u>	<u>0</u>	<u>16,392</u>	<u>56,894</u>	<u>0</u>	<u>4,104,143</u>
-	52,565	-	-	-	-	-	194,147
-	-	-	-	-	-	-	1,059,970
-	-	-	-	197,646	-	-	1,886,024
-	-	-	-	-	-	-	2,790
-	-	237,928	-	-	-	-	237,928
11,998	-	-	21,566	-	-	-	37,293
-	-	-	-	-	-	-	135,163
<u>11,998</u>	<u>52,565</u>	<u>237,928</u>	<u>21,566</u>	<u>197,646</u>	<u>0</u>	<u>0</u>	<u>3,553,315</u>
-	-	300,000	-	-	120,000	-	813,542
-	-	-	-	-	-	-	1,059,204
<u>0</u>	<u>0</u>	<u>300,000</u>	<u>0</u>	<u>0</u>	<u>120,000</u>	<u>0</u>	<u>1,872,746</u>
<u>11,998</u>	<u>52,565</u>	<u>537,928</u>	<u>21,566</u>	<u>197,646</u>	<u>120,000</u>	<u>0</u>	<u>5,426,061</u>
(48,864)	(52,565)	656,662	(21,566)	(181,254)	(63,106)	-	(1,321,918)
48,864	349,540	(656,662)	271,415	219,872	97,822	578,399	4,884,775
<u>\$ 0</u>	<u>\$ 296,975</u>	<u>\$ 0</u>	<u>\$ 249,849</u>	<u>\$ 38,618</u>	<u>\$ 34,716</u>	<u>\$ 578,399</u>	<u>\$ 3,562,857</u>

**ALLEGANY COUNTY, MARYLAND  
CAPITAL PROJECTS FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BY PROJECT  
FOR THE YEAR ENDED JUNE 30, 2002**

	<b>1998 PUBLIC IMPROVEMENT BONDS FUND</b>				
	<b>LaVale Library</b>	<b>Georges Creek Library</b>	<b>Allegany College Phase I</b>	<b>Industrial Shell Bldg.</b>	<b>Mt Savage School Renovations</b>
<b>REVENUES:</b>					
Intergovernmental:					
State					
State Dept of Public Safety	\$ -	\$ -	\$ -	\$ -	\$ -
Other Intergovernmental	-	1,503	-	-	-
Miscellaneous:					
Interest	34,135	-	-	-	-
Miscellaneous	-	-	-	-	-
Total Revenues	<u>34,135</u>	<u>1,503</u>	<u>0</u>	<u>0</u>	<u>0</u>
<b>OTHER FINANCING SOURCES:</b>					
Bond Proceeds	2,405	-	(2,405)	-	-
Transfer from other funds	-	-	-	-	-
Total Other Financing Sources	<u>2,405</u>	<u>0</u>	<u>(2,405)</u>	<u>0</u>	<u>0</u>
Total Revenues and Other Financing Sources	<u>36,540</u>	<u>1,503</u>	<u>(2,405)</u>	<u>0</u>	<u>0</u>
<b>EXPENDITURES:</b>					
General Government	-	-	-	-	-
Public Safety	-	-	-	-	-
Recreation, Culture & Libraries	6,400	-	-	-	-
Miscellaneous	-	-	-	-	-
Total Expenditures	<u>6,400</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<b>OTHER FINANCING USES:</b>					
Transfer to:					
Other Funds	-	-	-	337,046	-
Component Units	-	-	-	-	212,258
Total Transfers	<u>0</u>	<u>0</u>	<u>0</u>	<u>337,046</u>	<u>212,258</u>
Total Expenditures and Other Financing Uses	<u>6,400</u>	<u>0</u>	<u>0</u>	<u>337,046</u>	<u>212,258</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	30,140	1,503	(2,405)	(337,046)	(212,258)
Fund Balance, beginning	(27,735)	(1,503)	2,405	337,046	253,414
Fund Balance, Ending	<u>\$ 2,405</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 41,156</u>

**ALLEGANY COUNTY, MARYLAND**  
**CAPITAL PROJECTS FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BY PROJECT**  
**FOR THE YEAR ENDED JUNE 30, 2002**

1998 PUBLIC IMPROVEMENT BONDS FUND				2001 PUBLIC IMPROVEMENT BONDS FUND		
Flood Projects	Correctional Facility	1998 Bond Interest	1998 PIB Fund Total	Bond Closing Costs	1998 Bond Interest	2001 PIB Fund Total
\$ -	\$ 372,427	\$ -	\$ 372,427	\$ -	\$ -	\$ 0
-	-	-	1,503	-	-	0
-	-	(16,138)	17,997	10,788	16,285	27,073
-	3,020	-	3,020	-	-	0
<u>0</u>	<u>375,447</u>	<u>(16,138)</u>	<u>394,947</u>	<u>10,788</u>	<u>16,285</u>	<u>27,073</u>
-	-	-	-	196,632	-	196,632
-	-	-	-	-	-	0
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>196,632</u>	<u>0</u>	<u>196,632</u>
<u>0</u>	<u>375,447</u>	<u>(16,138)</u>	<u>394,947</u>	<u>207,420</u>	<u>16,285</u>	<u>223,705</u>
-	-	-	-	207,420	-	207,420
-	1,237,168	-	1,237,168	-	-	0
-	-	-	6,400	-	-	0
-	-	155,044	155,044	-	-	0
<u>0</u>	<u>1,237,168</u>	<u>155,044</u>	<u>1,398,612</u>	<u>207,420</u>	<u>0</u>	<u>207,420</u>
6,511	-	59,723	403,280	-	16,285	16,285
-	-	-	212,258	-	-	0
<u>6,511</u>	<u>0</u>	<u>59,723</u>	<u>615,538</u>	<u>0</u>	<u>16,285</u>	<u>16,285</u>
<u>6,511</u>	<u>1,237,168</u>	<u>214,767</u>	<u>2,014,150</u>	<u>207,420</u>	<u>16,285</u>	<u>223,705</u>
(6,511)	(861,721)	(230,905)	(1,619,203)	-	-	0
75,047	196,039	261,799	1,096,512	-	-	0
<u>\$ 68,536</u>	<u>\$ (665,682)</u>	<u>\$ 30,894</u>	<u>\$ (522,691)</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

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# **ENTERPRISE FUNDS**

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The Enterprise Funds are used to account for activities which are similar to those often found in the private sector. Enterprise fund measurement focus is upon determination of net income, financial position, and changes in financial position.

The County Enterprise Funds are:

The Allegany County Nursing Home Fund - this fund accounts for the operation of the County Nursing Home with resources being provided from user charges paid either by the patient or Medicaid/Medicare on behalf of the patient.

The Water Districts Fund - this fund accounts for the service charges received for providing water service to the various water districts operated by the County.

The Sanitary Districts Fund - service charges from 14 sewer districts are accounted for in the County's Sanitary District Fund.

The County Loan Fund - the loan fund accounts for the loan activity between the County and various agencies, including the County's enterprise funds.

**ALLEGANY COUNTY, MARYLAND**  
**COMBINING BALANCE SHEET**  
**PROPRIETARY FUND TYPE - ENTERPRISE FUNDS**  
**June 30, 2002**

	Allegany County Water Districts	Allegany County Sanitary Districts	Allegany County Nursing Home	Allegany County Loan Fund	Total
<b>ASSETS</b>					
Current Assets:					
Cash:					
Cash	\$ -	\$ 358,233	\$ 1,200	\$ -	\$ 359,433
Cash - restricted	-	213,513	-	-	213,513
Investments	161,247	210,316	-	-	371,563
Receivables:					
Accounts (net)	315,117	1,169,890	960,671	2,272,415	4,718,093
Taxes - restricted	-	54,206	-	-	54,206
Accounts (net) - restricted	-	169,441	-	-	169,441
Other	1,277	133,966	105,465	-	240,708
Due from other funds	-	2,459,216	-	628,651	3,087,867
Non-current Assets:					
Advances to other funds	-	-	-	1,915,713	1,915,713
Property, plant and equipment	18,102,301	66,027,080	5,087,098	-	89,216,479
Construction in Progress	-	556,377	-	-	556,377
Depreciation	(2,869,703)	(24,112,764)	(2,673,188)	-	(29,655,655)
Prepaid expenses	-	-	14,791	-	14,791
Inventory	-	133,179	21,654	-	154,833
Total Assets	\$ 15,710,239	\$ 47,372,653	\$ 3,517,691	\$ 4,816,779	\$ 71,417,362
<b>LIABILITIES</b>					
Current Liabilities:					
Accounts payable	\$ 93,353	\$ 398,144	\$ 279,387	\$ 25,000	\$ 795,884
Accrued payroll	-	30,601	153,736	-	184,337
Accrued payroll fringe	-	12,558	57,729	-	70,287
Accrued interest	11,267	63,387	-	-	74,654
Current portion of long-term debt					
Revenue debt:					
Bonds and loans	39,475	197,319	-	-	236,794
Advances from other funds	72,053	336,942	-	-	408,995
Due to other funds	735,728	1,796,965	-	-	2,532,693
Noncurrent Liabilities:					
Cash advance due to General Fund	-	900,000	738,422	-	1,638,422
Long term debt:					
Revenue debt:					
Bonds and loans	3,263,994	2,722,662	-	-	5,986,656
Advance from other funds	50,779	1,455,938	-	-	1,506,717
Compensated absences	-	330,754	331,438	-	662,192
Miscellaneous liabilities	-	228,355	-	-	228,355
Total Liabilities	4,266,649	8,473,625	1,560,712	25,000	14,325,986
<b>FUND EQUITY</b>					
Contributed Capital	9,888,560	32,691,771	216,672	-	42,797,003
Retained Earnings	1,555,030	6,207,257	1,740,307	4,791,779	14,294,373
Total Fund Equity	11,443,590	38,899,028	1,956,979	4,791,779	57,091,376
Total Liabilities and Fund Equity	\$ 15,710,239	\$ 47,372,653	\$ 3,517,691	\$ 4,816,779	\$ 71,417,362



**ALLEGANY COUNTY, MARYLAND**  
**COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN RETAINED EARNINGS**  
**PROPRIETARY FUND TYPE - ENTERPRISE FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2002**

	Allegany County Water Districts	Allegany County Sanitary Districts	Allegany County Nursing Home	Allegany County Loan Fund	Total
<b>OPERATING REVENUES:</b>					
Service charges	\$ 1,024,746	\$ 4,211,751	\$ -	\$ -	\$ 5,236,497
Patient fees	-	-	7,945,256	-	7,945,256
Miscellaneous	-	130,150	57,368	174,839	362,357
Total Operating Revenues	<u>1,024,746</u>	<u>4,341,901</u>	<u>8,002,624</u>	<u>174,839</u>	<u>13,544,110</u>
<b>OPERATING EXPENSES:</b>					
Salaries	133,697	664,924	3,815,262	-	4,613,883
Employee benefits	55,832	276,864	1,383,065	-	1,715,761
Office expenses	826	29,711	142,964	-	173,501
Utilities	562,806	1,089,685	142,781	-	1,795,272
Repairs & maintenance	16,962	219,316	116,462	-	352,740
Contractual services	-	32,671	27,588	-	60,259
Treatment costs	-	1,050,753	-	-	1,050,753
Professional services	1,500	39,326	494,441	-	535,267
Materials and supplies	30,059	220,916	734,890	-	985,865
Insurance	1,088	75,805	62,789	-	139,682
Indirect cost	23,597	140,907	318,869	-	483,373
Miscellaneous	20	16,502	27,437	-	43,959
Depreciation	414,513	1,431,791	169,550	-	2,015,854
Total operating expenses	<u>1,240,900</u>	<u>5,289,171</u>	<u>7,436,098</u>	<u>0</u>	<u>13,966,169</u>
Operating Income (Loss)	<u>(216,154)</u>	<u>(947,270)</u>	<u>566,526</u>	<u>174,839</u>	<u>(422,059)</u>
<b>NON-OPERATING INCOME (EXPENSES)</b>					
Real and personal property taxes	-	462,829	-	-	462,829
Interest & penalties on taxes	-	14,704	-	-	14,704
Discounts on taxes	-	(2,476)	-	-	(2,476)
Enterprise/industrial exemptions	-	174	-	-	174
Collection fees	-	(10,609)	-	-	(10,609)
Front footage assessments	-	172,918	-	-	172,918
Interest income	18,510	56,984	208	-	75,702
Interest income, debt service	-	3,980	-	-	3,980
Interest expense	(139,236)	(288,075)	-	-	(427,311)
Gain on sale of equipment	-	-	-	-	0
Federal grants	713,112	125,868	-	-	838,980
Other income (expense)	-	268,696	-	-	268,696
Net non-operating revenue (expenses)	<u>592,386</u>	<u>804,993</u>	<u>208</u>	<u>0</u>	<u>1,397,587</u>
Income (Loss) before operating transfers	<u>376,232</u>	<u>(142,277)</u>	<u>566,734</u>	<u>174,839</u>	<u>975,528</u>
<b>OPERATING TRANSFERS:</b>					
Operating transfer in	-	-	-	152,000	152,000
Operating transfer out	-	-	-	(902,907)	(902,907)
Net Income (Loss)	<u>376,232</u>	<u>(142,277)</u>	<u>566,734</u>	<u>(576,068)</u>	<u>224,621</u>
Residual equity transfer	(240,985)	240,985	-	-	0
Retained Earnings, Beginning	1,419,783	6,108,549	1,173,573	5,367,847	14,069,752
Retained Earnings, Ending	<u>\$ 1,555,030</u>	<u>\$ 6,207,257</u>	<u>\$ 1,740,307</u>	<u>\$ 4,791,779</u>	<u>\$ 14,294,373</u>
<b>CONTRIBUTED CAPITAL</b>					
Contributed capital, beginning	\$ 7,283,916	\$ 35,296,415	\$ 216,672	\$ -	\$ 42,797,003
Residual equity transfer	2,604,644	(2,604,644)	-	-	0
Contributed capital, ending	<u>\$ 9,888,560</u>	<u>\$ 32,691,771</u>	<u>\$ 216,672</u>	<u>\$ 0</u>	<u>\$ 42,797,003</u>

**ALLEGANY COUNTY, MARYLAND**  
**COMBINING STATEMENT OF CASH FLOWS**  
**PROPRIETARY FUND TYPE - ENTERPRISE FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2002**

	Allegany County Water Districts	Allegany County Sanitary Districts	Allegany County Nursing Home	Allegany County Loan Fund	Total
<b>Cash flows from operating activities:</b>					
Cash received from customers	\$ 963,317	\$ 4,188,823	\$ 7,584,029	\$ 750,909	\$ 13,487,078
Cash payments for goods and services	(578,178)	(2,946,303)	(2,027,603)	-	(5,552,084)
Cash payments to employees for services	(189,530)	(903,333)	(5,107,801)	-	(6,200,664)
Other operating revenues	-	130,255	88,697	-	218,952
Net cash provided by operating activities	195,609	469,442	537,322	750,909	1,953,282
<b>Cash flows from noncapital financing activities:</b>					
Advances from other funds	2,545,118	13,491,392	7,709,616	620,337	24,366,463
Advances to other funds	(2,338,378)	(14,465,896)	(7,693,604)	(620,338)	(25,118,216)
Operating transfers from other funds	-	-	-	152,000	152,000
Operating transfers to other funds	-	-	-	(902,908)	(902,908)
Net cash provided by noncapital financing activities	206,740	(974,504)	16,012	(750,909)	(1,502,661)
<b>Cash flows from capital and related financing activities:</b>					
Proceeds from new debt	600,000	-	-	-	600,000
Acquisition and construction of capital asset	(1,487,418)	305,705	(553,542)	-	(1,735,255)
Principal paid on capital debt	(101,883)	(515,979)	-	-	(617,862)
Interest paid on capital debt	(138,431)	(298,032)	-	-	(436,463)
Proceeds from sale of assets	-	6,120	-	-	6,120
Grant revenues	713,112	394,563	-	-	1,107,675
Debt fees	-	638,805	-	-	638,805
Net cash used for capital and related financing activities	(414,620)	531,182	(553,542)	0	(436,980)
<b>Cash flows from investing activities:</b>					
Purchase of investments	(161,247)	(210,316)	-	-	(371,563)
Sale of investments	155,000	201,518	-	-	356,518
Interest on investments	18,518	57,731	208	-	76,457
Net cash used in investing activities	12,271	48,933	208	0	61,412
Net increase (decrease) in cash	-	75,053	-	-	75,053
Cash at beginning of the year	-	496,692	1,200	-	497,892
Cash at end of year	\$ 0	\$ 571,745	\$ 1,200	\$ 0	\$ 572,945
<b>Reconciliation of operating income to net cash provided by operating activities:</b>					
Operating income (loss)	\$ (216,154)	\$ (947,270)	\$ 566,526	\$ 174,839	\$ (422,059)
Adjustments to reconcile operating income to net cash provided by operating activities:					
Depreciation	414,513	1,431,791	169,550	-	2,015,854
Provision for uncollectable accounts	(4,138)	31,134	30,000	-	56,996
Change in assets & liabilities:					
(Increase) decrease in receivables	(57,293)	(53,956)	(359,898)	551,070	79,923
(Increase) decrease in inventory	-	(33,880)	4,911	-	(28,969)
(Increase) decrease in prepaids	-	-	(14,791)	-	(14,791)
Increase (decrease) in acct's payable	58,681	3,170	50,498	25,000	137,349
Increase (decrease) in accrued payroll	-	38,453	90,526	-	128,979
Total adjustments	411,763	1,416,712	(29,204)	576,070	2,375,341
Net cash provided by operating activities	\$ 195,609	\$ 469,442	\$ 537,322	\$ 750,909	\$ 1,953,282

**ALLEGANY COUNTY, MARYLAND**  
**ALLEGANY COUNTY WATER DISTRICTS**  
**COMBINING SCHEDULE OF REVENUES, EXPENSES**  
**AND CHANGES IN RETAINED EARNINGS**  
**PROPRIETARY FUND TYPE - (ENTERPRISE FUNDS)**  
**FOR THE YEAR ENDED JUNE 30, 2002**

		Oldtown		
	Grahamtown	Road	McCoole	Ellerslie
<b>OPERATING REVENUES:</b>				
Service charges	\$ 96,453	\$ 133,016	\$ 135,788	\$ 256,094
Miscellaneous				
Total Operating Revenues	<u>96,453</u>	<u>133,016</u>	<u>135,788</u>	<u>256,094</u>
<b>OPERATING EXPENSES:</b>				
Salaries	-	17,642	20,476	39,252
Fringe benefits	-	7,367	8,551	16,392
Office expenses	-	98	114	218
Utilities	68,777	51,440	37,375	131,701
Repairs and maintenance	1,492	1,978	28	8,569
Professional fees	-	-	-	1,000
Materials and supplies	62	4,766	3,748	7,193
Insurance	488	-	-	487
Indirect cost	-	3,905	-	6,378
Miscellaneous		20		
Depreciation	27,645	67,521	96,497	57,919
Total Operating Expenses	<u>98,464</u>	<u>154,737</u>	<u>166,789</u>	<u>269,109</u>
Operating Income (Loss)	<u>(2,011)</u>	<u>(21,721)</u>	<u>(31,001)</u>	<u>(13,015)</u>
<b>NON-OPERATING REVENUE (EXPENSES):</b>				
Interest income	-	-	1,945	7,924
Interest expense	(13,596)	(15,387)	(44,030)	(9,131)
Federal grants	679,131	33,981	-	-
Non-operating Income (Loss)	<u>665,535</u>	<u>18,594</u>	<u>(42,085)</u>	<u>(1,207)</u>
Income (Loss) before operating transfers	\$ 663,524	\$ (3,127)	\$ (73,086)	\$ (14,222)
<b>OPERATING TRANSFERS:</b>				
Operating transfer in	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Income (Loss)	<u>\$ 663,524</u>	<u>\$ (3,127)</u>	<u>\$ (73,086)</u>	<u>\$ (14,222)</u>
Residual equity transfer				
Retained earnings, beginning				
Retained earnings, ending				
<b>CONTRIBUTED CAPITAL</b>				
Contributed capital, beginning				
Residual equity transfer				
Contributed capital, ending				

**ALLEGANY COUNTY, MARYLAND**  
**ALLEGANY COUNTY WATER DISTRICTS**  
**COMBINING SCHEDULE OF REVENUES, EXPENSES**  
**AND CHANGES IN RETAINED EARNINGS**  
**PROPRIETARY FUND TYPE - (ENTERPRISE FUNDS)**  
**FOR THE YEAR ENDED JUNE 30, 2002**

<u>Eckhart</u>	<u>Hoffman</u>	<u>Route 36 Vale Summit</u>	<u>Borden/ Zhilman</u>	<u>Carlos/ Shaft</u>	<u>Total</u>
\$ 225,208	\$ 6,186	\$ 33,627	\$ 63,005	\$ 75,369	\$ 1,024,746
					0
<u>225,208</u>	<u>6,186</u>	<u>33,627</u>	<u>63,005</u>	<u>75,369</u>	<u>1,024,746</u>
27,986	921	5,456	10,132	11,832	133,697
11,687	385	2,278	4,231	4,941	55,832
239	5	30	56	66	826
160,170	3,172	35,918	32,446	41,807	562,806
3,725	1	363	14	792	16,962
500	-	-	-	-	1,500
8,268	158	946	2,894	2,024	30,059
113	-	-	-	-	1,088
6,553	172	1,675	2,204	2,710	23,597
					20
<u>51,214</u>	<u>2,330</u>	<u>28,569</u>	<u>34,537</u>	<u>48,281</u>	<u>414,513</u>
<u>270,455</u>	<u>7,144</u>	<u>75,235</u>	<u>86,514</u>	<u>112,453</u>	<u>1,240,900</u>
<u>(45,247)</u>	<u>(958)</u>	<u>(41,608)</u>	<u>(23,509)</u>	<u>(37,084)</u>	<u>(216,154)</u>
6,122	117	195	1,388	819	18,510
(25,581)	(705)	-	(14,667)	(16,139)	(139,236)
-	-	-	-	-	713,112
<u>(19,459)</u>	<u>(588)</u>	<u>195</u>	<u>(13,279)</u>	<u>(15,320)</u>	<u>592,386</u>
\$ (64,706)	\$ (1,546)	\$ (41,413)	\$ (36,788)	\$ (52,404)	376,232
-	-	-	-	-	0
<u>\$ (64,706)</u>	<u>\$ (1,546)</u>	<u>\$ (41,413)</u>	<u>\$ (36,788)</u>	<u>\$ (52,404)</u>	376,232
					(240,985)
					1,419,783
					<u>\$ 1,555,030</u>
					\$ 7,283,916
					<u>2,604,644</u>
					<u>\$ 9,888,560</u>

**ALLEGANY COUNTY, MARYLAND**  
**ALLEGANY COUNTY SANITARY DISTRICTS**  
**COMBINING BALANCE SHEET**  
**PROPRIETARY FUND TYPE - (ENTERPRISE FUNDS)**  
**June 30, 2002**

	General Fund	Bowling Green	Cresaptown	Braddock Run	Bedford Road	Jennings Run/Wills Creek
<b>ASSETS</b>						
Current Assets:						
Cash:						
Cash	\$ 358,233	\$ -	\$ -	\$ -	\$ -	\$ -
Cash - Restricted	-	-	-	213,513	-	-
Investments	161,247	-	-	-	49,069	-
Receivables:						
Accounts (net)	1,691	132,717	56,702	470,542	79,579	81,612
Taxes - restricted	-	8,991	1,661	1,102	6,465	3,409
Accounts (net) - restricted	-	7,949	-	-	9,893	45,501
Other	37	-	-	83,102	1,724	423
Due from other funds	-	380,779	421,982	122,776	-	-
Noncurrent Assets:						
Property, plant and equipment:	2,004,896	5,399,693	2,720,650	3,193,827	4,902,837	6,098,767
Construction in progress	556,377	-	-	-	-	-
Less: Accumulated depreciation	(657,585)	(2,433,186)	(1,205,761)	(2,042,511)	(2,435,575)	(2,994,006)
Inventory	133,179	-	-	-	-	-
Total Assets	<u>\$ 2,558,075</u>	<u>\$ 3,496,943</u>	<u>\$ 1,995,234</u>	<u>\$ 2,042,351</u>	<u>\$ 2,613,992</u>	<u>\$ 3,235,706</u>
<b>LIABILITIES</b>						
Current liabilities:						
Accounts payable	\$ 14,124	\$ 35,463	\$ 17,744	\$ 101,147	\$ 18,295	\$ 28,490
Accrued wages payable	27,239	-	-	-	-	-
Accrued payroll fringe benefits	11,104	-	-	-	-	-
Accrued interest payable	-	2,329	2,624	3,166	4,191	2,249
Current portion of long term debt						
Bonds & loans	-	5,081	5,242	-	21,520	-
Advances from other funds	36,042	62,270	-	21,825	16,611	75,930
Due to other funds	670,673	-	-	-	95,433	771,365
Noncurrent Liabilities:						
Cash advance due General Fund	100,000	-	-	-	-	800,000
Long term debt:						
Bonds & loans	-	48,878	47,315	-	261,069	-
Advances from other funds	1,129,819	-	-	87,334	66,544	71,204
Compensated absences	330,754	-	-	-	-	-
Miscellaneous liabilities	45,705	-	-	177,609	-	-
Total Liabilities	<u>2,365,460</u>	<u>154,021</u>	<u>72,925</u>	<u>391,081</u>	<u>483,663</u>	<u>1,749,238</u>
<b>FUND EQUITY</b>						
Contributed Capital	54,057	2,147,704	1,312,491	663,614	1,756,856	2,616,141
Retained earnings:	138,558	1,195,218	609,818	987,656	373,473	(1,129,673)
Total Fund Equity	<u>192,615</u>	<u>3,342,922</u>	<u>1,922,309</u>	<u>1,651,270</u>	<u>2,130,329</u>	<u>1,486,468</u>
Total Liabilities and Fund Equity	<u>\$ 2,558,075</u>	<u>\$ 3,496,943</u>	<u>\$ 1,995,234</u>	<u>\$ 2,042,351</u>	<u>\$ 2,613,992</u>	<u>\$ 3,235,706</u>

**ALLEGANY COUNTY, MARYLAND**  
**ALLEGANY COUNTY SANITARY DISTRICTS**  
**COMBINING BALANCE SHEET**  
**PROPRIETARY FUND TYPE - (ENTERPRISE FUNDS)**  
**June 30, 2002**

McCoole	Oldtown	Flintstone	Georges Creek	Franklin/Brophytown	Celanese Treatment Plant	Mexico Farms	Cash Valley Road	Oldtown Road	Total All Districts
- \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	358,233
-	-	-	-	-	-	-	-	-	213,513
-	-	-	-	-	-	-	-	-	210,316
16,058	3,155	6,988	162,972	8,086	-	127,986	4,685	17,117	1,169,890
4,183	186	1,900	17,550	178	-	3,047	1,789	3,745	54,206
9,091	2,781	1,243	90,452	2,531	-	-	-	-	169,441
-	-	-	-	15,150	1,009	32,521	-	-	133,966
-	1,383	-	1,127,926	248,168	145,013	-	11,189	-	2,459,216
2,272,046	853,877	1,104,046	23,996,855	561,728	5,072,012	4,214,595	813,332	2,817,919	66,027,080
-	-	-	-	-	-	-	-	-	556,377
(887,033)	(357,843)	(455,250)	(8,328,440)	(221,274)	(899,964)	(767,631)	(122,000)	(304,705)	(24,112,764)
-	-	-	-	-	-	-	-	-	133,179
<u>1,414,345</u>	<u>\$ 503,539</u>	<u>\$ 658,927</u>	<u>\$ 17,067,315</u>	<u>\$ 614,567</u>	<u>\$ 4,318,070</u>	<u>\$ 3,610,518</u>	<u>\$ 708,995</u>	<u>\$ 2,534,076</u>	<u>\$ 47,372,653</u>
18,521 \$	2,246 \$	2,365 \$	15,843 \$	15 \$	29,379 \$	102,346 \$	- \$	12,166 \$	398,144
-	-	-	-	-	3,362	-	-	-	30,601
-	-	-	-	-	1,454	-	-	-	12,558
623	286	4,051	25,987	-	4,564	8,851	932	3,534	63,387
12,829	2,434	7,301	33,224	-	33,297	67,813	1,790	6,788	197,319
-	-	-	116,753	7,511	-	-	-	-	336,942
130,660	-	22,447	-	-	-	105,612	-	775	1,796,965
-	-	-	-	-	-	-	-	-	900,000
75,468	25,622	76,867	469,016	-	269,305	799,097	135,634	514,391	2,722,662
-	-	-	92,912	8,125	-	-	-	-	1,455,938
-	-	-	-	-	-	-	-	-	330,754
-	-	-	-	-	5,041	-	-	-	228,355
<u>238,101</u>	<u>30,588</u>	<u>113,031</u>	<u>753,735</u>	<u>15,651</u>	<u>346,402</u>	<u>1,083,719</u>	<u>138,356</u>	<u>537,654</u>	<u>8,473,625</u>
1,293,473	447,004	541,593	12,880,637	303,439	3,763,129	2,301,624	583,041	2,026,968	32,691,771
(117,229)	25,947	4,303	3,432,943	295,477	208,539	225,175	(12,402)	(30,546)	6,207,257
<u>1,176,244</u>	<u>472,951</u>	<u>545,896</u>	<u>16,313,580</u>	<u>598,916</u>	<u>3,971,668</u>	<u>2,526,799</u>	<u>570,639</u>	<u>1,996,422</u>	<u>38,899,028</u>
<u>1,414,345</u>	<u>\$ 503,539</u>	<u>\$ 658,927</u>	<u>\$ 17,067,315</u>	<u>\$ 614,567</u>	<u>\$ 4,318,070</u>	<u>\$ 3,610,518</u>	<u>\$ 708,995</u>	<u>\$ 2,534,076</u>	<u>\$ 47,372,653</u>

**ALLEGANY COUNTY, MARYLAND**  
**ALLEGANY COUNTY SANITARY DISTRICTS**  
**COMBINING SCHEDULE OF REVENUES, EXPENSES**  
**AND CHANGES IN RETAINED EARNINGS**  
**PROPRIETARY FUND TYPE - (ENTERPRISE FUNDS)**  
**FOR THE YEAR ENDED JUNE 30, 2002**

	General Fund	Bowling Green	Cresaptown	Braddock Run	Bedford Road	Jennings Run/Wills Creek
<b>OPERATING REVENUES:</b>						
Service charges	\$ 6,605	\$ 525,679	\$ 247,716	\$ 912,991	\$ 315,829	\$ 264,234
Miscellaneous	-	33	14	27	27	20
<b>Total Operating Revenues</b>	<b>6,605</b>	<b>525,712</b>	<b>247,730</b>	<b>913,018</b>	<b>315,856</b>	<b>264,254</b>
<b>OPERATING EXPENSES:</b>						
Wages and salaries	1,842	100,326	42,157	81,550	83,109	61,570
Employee benefits	769	41,897	17,605	34,056	34,707	25,712
Office expenses	75	5,170	2,517	4,298	3,490	2,723
Utilities	1,704	226,197	6,809	22,742	13,553	10,854
Repairs and maintenance	1,254	22,540	21,690	31,094	23,242	14,209
Contractual services	105	5,705	2,395	4,636	4,727	3,499
Water/Sewage treatment costs	-	106,993	103,664	470,949	95,328	86,382
Professional fees	21	1,168	490	6,375	968	717
Materials and supplies	5,059	23,726	9,283	20,271	18,817	11,530
Insurance	206	11,222	4,711	9,120	9,300	9,830
Indirect cost	451	24,602	10,328	19,995	20,389	15,091
Miscellaneous	12	695	1,341	641	576	426
Depreciation	439	125,187	61,191	98,522	111,813	131,800
<b>Total Operating Expenses</b>	<b>11,937</b>	<b>695,428</b>	<b>284,181</b>	<b>804,249</b>	<b>420,019</b>	<b>374,343</b>
<b>Operating Income (Loss)</b>	<b>(5,332)</b>	<b>(169,716)</b>	<b>(36,451)</b>	<b>108,769</b>	<b>(104,163)</b>	<b>(110,089)</b>
<b>NON-OPERATING REVENUE (EXPENSES):</b>						
Real and personal property taxes	-	83,006	23,953	9,701	83,064	26,957
Interest & Penalties, taxes	-	2,306	462	947	2,295	663
Discounts, taxes	-	(468)	(151)	(54)	(454)	(140)
Enterprise/industrial exemptions	-	120	-	41	13	-
Collection fees	-	(1,920)	(540)	(280)	(1,927)	(589)
Front footage assessments	-	8,196	-	-	11,099	45,180
Interest income	73	9,299	3,283	6,322	8,278	7,677
Interest income, debt service	-	85	-	-	560	856
Interest expense	(65,537)	(12,718)	(4,171)	(7,960)	(29,444)	(14,055)
Other capital grants	15,863	-	-	66,630	-	-
Allocated debt service revenue	99,676	(10,476)	(8,373)	(17,453)	(16,516)	(12,230)
Miscellaneous non-operating revenue	-	-	1	8,576	-	-
<b>Non-operating Income (Loss)</b>	<b>50,075</b>	<b>77,430</b>	<b>14,464</b>	<b>66,470</b>	<b>56,968</b>	<b>54,319</b>
<b>Net Income (Loss) before operating transfers:</b>	<b>44,743</b>	<b>(92,286)</b>	<b>(21,987)</b>	<b>175,239</b>	<b>(47,195)</b>	<b>(55,770)</b>
Operating transfers in (out)	-	-	-	-	-	-
<b>Net Income (Loss)</b>	<b>44,743</b>	<b>(92,286)</b>	<b>(21,987)</b>	<b>175,239</b>	<b>(47,195)</b>	<b>(55,770)</b>
Residual equity transfer	-	-	-	-	-	-
Retained earnings, beginning	93,815	1,287,504	631,805	812,417	420,668	(1,073,903)
Retained earnings, ending	\$ 138,558	\$ 1,195,218	\$ 609,818	\$ 987,656	\$ 373,473	\$ (1,129,673)
<b>CONTRIBUTED CAPITAL</b>						
Contributed capital, beginning	\$ 54,057	\$ 2,147,704	\$ 1,312,491	\$ 663,614	\$ 1,756,856	\$ 2,616,141
Residual equity transfer	-	-	-	-	-	-
Contributed capital, ending	\$ 54,057	\$ 2,147,704	\$ 1,312,491	\$ 663,614	\$ 1,756,856	\$ 2,616,141

**ALLEGANY COUNTY, MARYLAND**  
**ALLEGANY COUNTY SANITARY DISTRICTS**  
**COMBINING SCHEDULE OF REVENUES, EXPENSES**  
**AND CHANGES IN RETAINED EARNINGS**  
**PROPRIETARY FUND TYPE - (ENTERPRISE FUNDS)**  
**FOR THE YEAR ENDED JUNE 30, 2002**

McCooles	Oldtown	Flintstone	Georges Creek	Franklin/Brophytown	Celanese Treatment Plant	Mexico Farms	Cash Valley Road	Oldtown Road	Total All Districts
51,346 \$	11,022 \$	21,040 \$	549,780 \$	69,424 \$	353,594 \$	802,133 \$	15,054 \$	65,304 \$	4,211,751
4	1	1	-	2	130,004	9	2	6	130,150
51,350	11,023	21,041	549,780	69,426	483,598	802,142	15,056	65,310	4,341,901
12,399	2,692	4,251	131,004	5,527	90,105	27,845	4,322	16,225	664,924
5,178	1,125	1,775	54,709	2,308	36,814	11,628	1,805	6,776	276,864
510	111	175	6,180	227	1,952	1,440	177	666	29,711
6,843	7,744	9,093	78,443	11,267	188,450	500,929	63	4,994	1,089,685
7,810	(5,246)	2,506	37,106	898	25,647	20,612	336	15,618	219,316
706	154	242	7,435	313	-	1,588	245	921	32,671
47,394	-	-	-	5,761	-	125,422	6,011	2,849	1,050,753
145	239	257	1,946	64	26,372	325	50	189	39,326
3,528	4,861	5,432	47,957	930	42,497	12,546	524	13,955	220,916
1,388	3,147	2,350	14,629	617	3,617	3,374	482	1,812	75,805
3,044	662	1,043	32,070	1,353	-	6,848	1,057	3,974	140,907
86	18	29	7,305	38	5,000	193	30	112	16,502
51,177	17,667	23,544	504,278	12,241	105,274	95,522	21,046	72,090	1,431,791
140,208	33,174	50,697	923,062	41,544	525,728	808,272	36,148	140,181	5,289,171
(88,858)	(22,151)	(29,656)	(373,282)	27,882	(42,130)	(6,130)	(21,092)	(74,871)	(947,270)
12,933	1,848	8,167	144,505	6,026	-	18,141	9,060	35,468	462,829
790	29	595	4,817	20	-	721	313	746	14,704
(44)	(12)	(35)	(786)	(51)	-	(77)	(40)	(164)	(2,476)
-	-	-	-	-	-	-	-	-	174
(276)	(40)	(200)	(3,300)	(135)	-	(408)	(200)	(794)	(10,609)
9,110	2,681	3,278	91,009	2,365	-	-	-	-	172,918
1,989	92	277	14,426	284	-	2,031	303	2,650	56,984
251	7	33	2,160	28	-	-	-	-	3,980
(5,420)	(1,828)	(5,222)	(51,589)	(1,670)	(14,146)	(44,496)	(6,222)	(23,597)	(288,075)
-	-	-	-	-	-	-	-	43,375	125,868
(2,462)	(528)	(847)	(24,251)	(867)	-	(1,595)	(857)	(3,221)	0
-	-	-	260,119	-	-	-	-	-	268,696
16,871	2,249	6,046	437,110	6,000	(14,146)	(25,683)	2,357	54,463	804,993
(71,987)	(19,902)	(23,610)	63,828	33,882	(56,276)	(31,813)	(18,735)	(20,408)	(142,277)
-	-	-	-	-	-	-	-	-	0
(71,987)	(19,902)	(23,610)	63,828	33,882	(56,276)	(31,813)	(18,735)	(20,408)	(142,277)
240,985	-	-	-	-	-	-	-	-	240,985
(286,227)	45,849	27,913	3,369,115	261,595	264,815	256,988	6,333	(10,138)	6,108,549
(117,229)	25,947	4,303	3,432,943	295,477	208,539	225,175	(12,402)	(30,546)	6,207,257
3,898,117	447,004	541,593	12,880,637	303,439	3,763,129	2,301,624	583,041	2,026,968	35,296,415
(2,604,644)	-	-	-	-	-	-	-	-	(2,604,644)
1,293,473	447,004	541,593	12,880,637	303,439	3,763,129	2,301,624	583,041	2,026,968	32,691,771



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# **FIDUCIARY FUNDS**

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Fiduciary Fund Types are used to account for assets held by the County in the capacity of an agent or trustee. The County uses an agency fund to report this activity.

The County's agency fund is used to account for taxes billed and collected for the State of Maryland, three towns, and 30 special taxing districts.

**ALLEGANY COUNTY, MARYLAND**  
**AGENCY FUND**  
**STATEMENT OF CHANGES IN ASSETS AND LIABILITIES**  
**FOR THE YEAR ENDED JUNE 30, 2002**

	Balance July 1, 2001	Additions	Deductions	Balance June 30, 2002
<b>ASSETS:</b>				
Taxes levied for State:				
Taxes receivable - State	\$ 200,750	\$ 1,862,613	\$ 1,855,392	\$ 207,971
Taxes levied for Special Areas:				
Lonaconing, Town of	6,252	99,176	98,885	6,543
Midland, Town of	2,201	24,690	24,329	2,562
Westernport, Town of	35,451	294,830	286,561	43,720
Cumberland differential	-	598,587	550,653	47,934
Bel Air Special Tax Area	1,032	21,992	22,097	927
Bowling Green Fire Co.	2,705	22,732	22,753	2,684
Bedford Road Fire Co.	3,164	25,128	26,308	1,984
Bowling Green Special Tax Area	1,115	8,559	8,754	920
Cresaptown Ambulance	6,794	83,038	82,640	7,192
Cresaptown Civic Imp. Assoc.	1,157	12,076	12,027	1,206
Cresaptown Fire Co.	7,379	105,698	105,551	7,526
Corriganville Light & Imp.	1,453	10,236	10,088	1,601
Ellerslie Special Tax Area	703	5,144	4,930	917
LaVale Volunteer Fire Dept.	7,275	103,610	103,453	7,432
LaVale Rescue Squad	3,638	51,805	51,727	3,716
LaVale Sanitary District	28,080	381,773	379,463	30,390
McCoole Special Tax Area	809	3,052	2,811	1,050
Moscow Light	229	2,718	2,532	415
Mt. Savage Special Tax Area	871	7,242	7,158	955
Potomac Park Special Tax Area	860	7,338	7,106	1,092
Rawlings Fire Co.	1,845	19,508	18,934	2,419
Bowling Green Sanitary District	9,366	83,058	83,433	8,991
Cresaptown Sanitary District	1,386	23,964	23,689	1,661
Braddock Run Sanitary District	2,922	10,102	11,922	1,102
Bedford Road Sanitary District	7,167	84,551	85,253	6,465
Jennings Run Sanitary District	2,124	27,128	25,843	3,409
McCoole Sanitary District	2,780	13,279	11,876	4,183
Oldtown Sanitary District	91	1,847	1,752	186
Flintstone Sanitary District	2,084	8,168	8,352	1,900
Georges Creek Sanitary District	16,339	145,220	144,008	17,551
Franklin Sanitary District	188	6,027	6,037	178
Mexico Farms Sanitary	2,409	18,141	17,503	3,047
Cash Valley Road Sanitary	1,166	9,066	8,430	1,802
Oldtown Road Sanitary	3,006	35,742	35,003	3,745
Sub-total special areas	164,041	2,355,225	2,291,861	227,405
Due from other funds	194	110,031	-	110,225
<b>Total Assets</b>	<b>\$ 364,985</b>	<b>\$ 4,327,869</b>	<b>\$ 4,147,253</b>	<b>\$ 545,601</b>
<b>LIABILITIES:</b>				
Accounts payable	\$ 194	\$ 110,031	\$ -	\$ 110,225
A/P Special Areas	164,041	2,355,225	2,291,861	227,405
Taxes payable - State	200,750	1,862,613	1,855,392	207,971
<b>Total Liabilities</b>	<b>\$ 364,985</b>	<b>\$ 4,327,869</b>	<b>\$ 4,147,253</b>	<b>\$ 545,601</b>

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# **GENERAL FIXED ASSET AND LONG-TERM DEBT ACCOUNT GROUPS**

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The General Fixed Asset Account Group is used to account for fixed assets other than those recorded in the proprietary fund types.

The Long-Term Debt Account Group is used to account for the long-term liabilities of the County other than those recorded in proprietary fund types.

**ALLEGANY COUNTY, MARYLAND**  
**GENERAL FIXED ASSET ACCOUNT GROUP**  
**SCHEDULE OF FIXED ASSETS - BY CATEGORY AND SOURCE**  
June 30, 2002

<b>ASSETS</b>	Primary Government
Land	\$ 6,699,831
Buildings	32,908,643
Infrastructure	30,977,109
Furniture & fixtures	878,385
Machinery & equipment	3,076,058
Vehicles	6,587,658
Heavy equipment	3,191,524
Other fixed assets	828,906
Less:	
Accumulated depreciation	(40,139,114)
Total Assets	\$ <u>45,009,000</u>
 <b>FUND EQUITY</b>	
Investment in general fixed assets acquired before July 1, 1993 - source unidentified	\$ 13,512,556
Investment in general fixed assets by source:	
General Fund:	
General revenues	1,304,332
Federal grants	330,534
State grants	526,672
Miscellaneous revenues	334,330
Debt proceeds	18,060
Special Revenue Funds:	
General revenues	36,580,540
Federal grants	1,622,696
State grants	384,339
Miscellaneous revenues	123,883
Debt proceeds	3,240,862
Capital Project Funds:	
General revenues	10,823,441
Federal grants	3,430,663
State grants	11,192,286
Miscellaneous revenues	229,471
Debt proceeds	1,493,449
Less:	
Accumulated depreciation	(40,139,114)
Total Fund Equity	\$ <u>45,009,000</u>

**ALLEGANY COUNTY, MARYLAND**  
**GENERAL FIXED ASSET ACCOUNT GROUP**  
**SCHEDULE OF FIXED ASSETS BY FUNCTION**  
**June 30, 2002**

Function	Land	Buildings & Infrastructure	Furniture & Fixtures	Vehicles & Equipment	Less Depreciation	Total
General Government	\$ 4,568,817	\$ 3,916,546	\$ 122,506	\$ 1,173,978	\$ (1,335,732)	\$ 8,446,115
Public Safety	1,000	15,273,958	80,737	2,407,833	(1,754,987)	16,008,541
Public Works	96,127	31,794,834	293,576	9,267,697	(30,499,706)	10,952,528
Health	30,079	696,042	371,160	4,121	(448,960)	652,442
Social Services	116	62,656	-	213,261	(163,614)	112,419
Recreation & Culture	545,783	2,571,632	246	431,380	(302,327)	3,246,714
Libraries	6,000	367,072	-	-	(188,392)	184,680
Natural Resources	-	-	-	28,899	(12,748)	16,151
Urban Development & Housing	58,155	646,220	4,160	32,442	(246,482)	494,495
Economic Development	1,393,754	8,556,792	6,000	124,535	(5,186,166)	4,894,915
Total General Fixed Assets	\$ 6,699,831	\$ 63,885,752	\$ 878,385	\$ 13,684,146	\$ (40,139,114)	\$ 45,009,000

**ALLEGANY COUNTY, MARYLAND**  
**GENERAL FIXED ASSET ACCOUNT GROUP**  
**SCHEDULE OF CHANGES IN GENERAL FIXED ASSETS BY FUNCTION**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2002**

Function	General Fixed Assets July 1, 2001	Asset Reclass	Additions	Deductions	Less Depreciation	General Fixed Assets June 30, 2002
General Government	\$ 6,116,687	\$ (2,952)	\$ 4,622,060	\$ 953,948	(1,335,732)	\$ 8,446,115
Public Safety	2,497,759	2,951	15,314,902	52,084	(1,754,987)	16,008,541
Public Works	40,417,412	-	1,425,239	390,417	(30,499,706)	10,952,528
Health	1,101,402	-	-	-	(448,960)	652,442
Social Services	239,530	-	80,970	44,467	(163,614)	112,419
Recreation & Culture	1,445,429	-	2,103,612	-	(302,327)	3,246,714
Libraries	195,512	-	177,560	-	(188,392)	184,680
Natural Resources	28,899	-	-	-	(12,748)	16,151
Urban Development & Housing	731,283	-	9,694	-	(246,482)	494,495
Economic Development	10,235,115	-	-	154,034	(5,186,166)	4,894,915
Total General Fixed Assets	\$ 63,009,028	\$ (1)	\$ 23,734,037	\$ 1,594,950	\$ (40,139,114)	\$ 45,009,000

**ALLEGANY COUNTY, MARYLAND**  
**GENERAL LONG TERM DEBT ACCOUNT GROUP**  
**SCHEDULE OF LONG TERM DEBT**  
**June 30, 2002**

	<u>Allegany County Primary Government</u>
<b><u>ASSETS</u></b>	
Amount available for debt retirement	\$ 1,400,000
Amount to be provided for retirement of Compensated Absences	2,863,389
Amount to be provided for retirement of general long-term debt	<u>42,857,305</u>
Total Assets	<u>\$ 47,120,694</u>
 <b><u>LIABILITIES</u></b>	
General Obligation Debt Payable:	
Bonds	\$ 35,115,000
Notes	1,013,492
Leases	82,761
State loans	8,046,052
Compensated absences	<u>2,863,389</u>
Total Liabilities	<u>\$ 47,120,694</u>



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**ALLEGANY COUNTY, MARYLAND**  
**ALLEGANY COUNTY PRIMARY GOVERNMENT**  
**TEN YEAR SUMMARY - GENERAL FUND**  
**REVENUES AND EXPENDITURES**  
**FOR THE YEARS ENDED JUNE 30,**

**REVENUES AND OTHER**

<b>FINANCING SOURCES:</b>	<b>2002</b>	<b>2001</b>	<b>2000</b>	<b>1999</b>	<b>1998</b>	<b>1997</b>	<b>1996</b>	<b>1995</b>	<b>1994</b>	<b>1993</b>
General Property Taxes	\$ 26,949,364	\$ 26,205,688	\$ 26,028,928	\$ 24,974,964	\$ 23,767,146	\$ 23,532,238	\$ 22,897,461	\$ 22,297,655	\$ 21,174,346	\$ 19,680,779
Income Taxes	18,441,780	19,177,773	17,007,620	17,212,342	16,831,635	15,930,461	14,946,947	14,663,028	14,053,000	13,749,086
Local Taxes	1,765,592	1,458,068	1,518,164	1,754,516	1,402,499	1,295,474	1,748,847	1,066,053	1,015,010	1,011,660
State Shared Taxes	-	-	-	-	-	-	-	64,197	57,214	62,240
Licenses and Permits	558,218	534,121	508,317	486,641	468,556	486,796	469,666	424,306	402,143	376,779
Federal Government	1,313,035	1,305,970	1,300,660	1,405,030	1,027,725	962,718	744,840	676,882	611,615	444,204
State Government	6,681,272	6,240,229	5,366,275	5,033,553	4,848,243	3,056,394	2,807,315	2,611,224	2,190,453	(96,923)
Intergovernmental-other	19,794	20,364	24,802	9,573	20,908	35,419	20,418	12,453	224,609	30,845
Service Charges	1,596,298	1,623,690	1,386,926	1,515,973	1,281,508	1,129,846	1,019,466	1,116,469	1,019,931	889,700
Fines and Forfeitures	28,727	29,382	64,177	31,037	8,208	9,899	10,491	16,228	10,911	34,084
Miscellaneous:										
Interest	504,137	1,046,616	926,607	808,964	776,247	654,849	757,582	666,757	505,362	486,652
Rents	176,044	230,429	425,315	403,918	420,180	425,683	426,770	466,657	500,474	444,998
Sale of Assets	160,849	645,817	96,274	-	-	13,527	201,539	108,504	240	6,362
Other Miscellaneous	104,507	79,403	72,823	75,539	113,431	58,803	104,728	110,498	89,813	40,718
Lease proceeds	-	-	-	41,008	-	-	-	-	-	-
Transfers In	1,068,543	855,563	852,317	772,099	756,944	876,710	625,001	608,285	524,549	423,587
<b>TOTAL REVENUES AND</b>										
<b>    OTHER FINANCING SOURCES</b>	<u>59,368,160</u>	<u>59,453,113</u>	<u>55,579,205</u>	<u>54,525,157</u>	<u>51,723,230</u>	<u>48,468,817</u>	<u>46,781,071</u>	<u>44,909,196</u>	<u>42,379,670</u>	<u>37,584,771</u>

(Continued)

**ALLEGANY COUNTY, MARYLAND**  
**ALLEGANY COUNTY PRIMARY GOVERNMENT**  
**TEN YEAR SUMMARY - GENERAL FUND**  
**REVENUES AND EXPENDITURES**  
**FOR THE YEARS ENDED JUNE 30,**

EXPENDITURES *	2002	2001	2000	1999	1998	1997	1996	1995	1994	1993
General Government	6,085,306	6,106,036	5,539,517	5,243,005	4,897,200	4,884,952	4,722,012	4,410,072	4,116,333	3,761,958
Public Safety	8,211,187	7,510,268	6,131,244	5,788,967	5,716,370	5,278,577	4,890,461	4,506,428	4,026,939	3,676,768
Public Works	1,931,934	1,856,758	1,684,139	1,647,488	1,610,964	1,658,793	1,671,451	1,894,953	1,827,343	1,567,729
Conservation of Health	1,215,752	1,168,645	1,108,442	922,547	1,033,185	1,019,386	971,676	1,005,010	1,076,435	1,017,852
Social Services	1,963,328	1,853,840	1,784,994	1,781,049	1,392,351	1,260,036	1,222,948	1,147,625	1,080,699	801,793
Education	30,311,872	29,931,156	27,711,600	26,505,400	25,655,400	24,980,400	24,400,400	23,700,400	22,350,400	20,535,200
Recreation and Culture	1,269,568	1,006,248	930,749	936,286	944,854	697,053	720,899	575,754	535,605	465,810
Conservation of Natural Resources	212,488	232,807	189,422	179,116	171,048	178,638	176,383	177,333	184,351	154,904
Community Devel. & Housing	174,046	166,293	137,063	135,176	22,200	22,200	22,200	12,000	15,000	21,000
Economic Development	921,982	848,455	843,079	760,030	634,082	713,478	690,479	601,012	482,181	426,041
Intergovernmental	28,704	28,704	28,704	28,704	28,704	28,704	28,704	28,704	28,704	28,704
Miscellaneous	4,678	11,693	21,332	11,383	11,333	108,706	14,373	5,132	74,521	69,187
<b>TOTAL EXPENDITURES</b>	<b>52,330,845</b>	<b>50,720,903</b>	<b>46,110,285</b>	<b>43,939,151</b>	<b>42,117,691</b>	<b>40,830,923</b>	<b>39,531,986</b>	<b>38,064,423</b>	<b>35,798,511</b>	<b>32,526,946</b>
<b>OTHER FINANCING USES:</b>										
Transfers to:										
Debt Service Fund	4,935,779	6,170,405	5,389,352	4,151,683	3,797,484	3,242,357	3,336,884	3,371,385	3,001,695	2,925,751
Highway Fund	1,604,330	1,647,981	1,647,981	1,772,981	1,772,981	1,720,309	1,669,773	1,647,927	1,684,334	1,132,455
Transit Fund	124,705	132,548	167,726	159,366	172,165	163,742	207,880	181,993	171,062	171,062
Housing Funds	177,382	143,547	119,249	93,925	202,023	225,420	222,483	184,064	124,164	70,740
Other Special Revenue Funds	45,776	41,854	14,759	13,844	51,810	51,252	176,300	55,938	41,000	41,000
Capital Projects Fund	110,203	820,831	1,748,057	2,785,029	2,421,155	994,504	839,930	622,363	427,500	352,991
Other Enterprise Funds	152,000	1,518,378	-	212,000	-	-	200,000	9,808	10,605	23,000
<b>TOTAL OTHER FINANCING USES</b>	<b>7,150,175</b>	<b>10,475,544</b>	<b>9,087,124</b>	<b>9,188,828</b>	<b>8,417,618</b>	<b>6,397,584</b>	<b>6,653,250</b>	<b>6,073,478</b>	<b>5,460,360</b>	<b>4,716,999</b>
<b>TOTAL EXPENDITURES AND OTHER FINANCING USES</b>	<b>59,481,020</b>	<b>61,196,447</b>	<b>55,197,409</b>	<b>53,127,979</b>	<b>50,535,309</b>	<b>47,228,507</b>	<b>46,185,236</b>	<b>44,137,901</b>	<b>41,258,871</b>	<b>37,243,945</b>
Excess (deficiency) of revenues and other sources over expenditures and other uses	(112,860)	(1,743,334)	381,796	1,397,178	1,187,921	1,240,310	595,835	771,295	1,120,799	340,826
Prior Period Adjustment	0	(266,016)								
Beginning fund balance	10,011,550	12,020,900	11,639,104	10,241,926	9,054,005	7,813,695	7,217,860	6,446,565	5,325,766	4,984,940
<b>Fund Balance (deficit), ending</b>	<b>\$ 9,898,690</b>	<b>\$ 10,011,550</b>	<b>\$ 12,020,900</b>	<b>\$ 11,639,104</b>	<b>\$ 10,241,926</b>	<b>\$ 9,054,005</b>	<b>\$ 7,813,695</b>	<b>\$ 7,217,860</b>	<b>\$ 6,446,565</b>	<b>\$ 5,325,766</b>

\* Amounts recorded in the financial statements as transfers to other units have been reclassified and presented in the appropriate expenditure category.

**ALLEGANY COUNTY, MARYLAND**  
**ALLEGANY COUNTY PRIMARY GOVERNMENT**  
**PENSION CONTRIBUTIONS**

Allegany County participates in the State of Maryland Retirement System and Pension System. Both plans are cost sharing multiple-employer defined benefit plans. All full-time and permanent part-time employees must be members of one of the plans. The Retirement System covers most employees hired prior to January 1, 1980, while the Pension System covers employees hired after December 31, 1979, plus Retirement System participants who voluntarily joined the Pension System. The Maryland State Retirement System administers the Retirement System (established October 1, 1941) and the Pension System (established January 1, 1980) under the provisions of Article 73B of the Annotated Code of Maryland. Allegany County has also established two defined contribution retirement plans, the County Administrators Retirement Plan (one member) and the Management Contractual Employees Retirement Plan (seven members), administered by the ICMA Retirement Corporation.

Both the Retirement System and Pension System are jointly contributory. The County's contribution to both plans include the current service cost, which includes a normal cost and the cost of amortizing an unfunded accrued liability amount over forty years. Contributions to the defined contribution are made entirely by the County, 9% of covered payroll for the Administrators Plan and 4.17% for the Management Contractual Employees Plan.

<u>Contribution for Fiscal Year</u>	<u>Pension System Current Year Service Cost</u>	<u>Retirement System Current Year Service Cost</u>	<u>Defined Contribution Service Cost</u>	<u>Total County Contributions</u>
2002	\$ 484,049	\$ 91,240	\$ 20,605	\$ 595,894
2001	533,734	102,417	17,549	653,700
2000	590,537	107,446	12,863	710,846
1999	575,528	126,949	-	702,477
1998	655,529	139,833	-	795,362
1997	517,226	392,306	-	909,532
1996	498,628	407,180	-	905,808
1995	407,609	297,853	-	705,462
1994	386,344	326,706	-	713,050
1993	389,507	259,917	-	649,424

**ALLEGANY COUNTY, MARYLAND  
ALLEGANY COUNTY PRIMARY GOVERNMENT  
ASSESSED VALUE OF TAXABLE PROPERTY  
LAST TEN FISCAL YEARS**

Fiscal Year	Real Property		Personal Property		Corporate Personal Property (3)		Totals	
	Market Value (2)	Assessed Value (1)	Market Value (2)	Assessed Value (1)	Market Value (2)	Assessed Value (1)	Market Value (2)	Assessed Value (1)
2002	\$ 2,072,981,398	\$ 2,072,981,398	\$ 10,142,410	\$ 10,142,410	\$ 493,595,405	\$ 493,595,405	\$ 2,576,719,213	\$ 2,576,719,213
2001	2,027,094,175	810,837,670	8,839,920	8,839,920	662,748,955	662,748,955	2,698,683,050	1,482,426,545
2000	1,986,596,538	794,638,615	10,869,940	10,869,940	736,321,330	736,321,330	2,733,787,808	1,541,829,885
1999	1,908,270,840	763,308,336	10,700,350	10,700,350	529,490,145	529,490,145	2,448,461,335	1,303,498,831
1998	1,830,044,875	732,017,950	11,762,460	11,762,460	426,419,050	426,419,050	2,268,226,385	1,170,199,460
1997	1,786,714,125	714,685,650	12,839,150	12,839,150	449,714,780	449,714,780	2,249,268,055	1,177,239,580
1996	1,733,567,015	693,426,806	12,133,200	12,133,200	463,799,310	463,799,310	2,209,499,525	1,169,359,316
1995	1,681,057,398	672,422,959	12,729,660	12,729,660	488,676,600	488,676,600	2,182,463,658	1,173,829,219
1994	1,613,737,580	645,495,032	11,737,570	11,737,570	499,393,340	499,393,340	2,124,868,490	1,156,625,942
1993	1,529,346,093	611,738,437	9,447,470	9,447,470	530,665,880	530,665,880	2,069,459,443	1,151,851,787

- Note:
- (1) All amounts are adjusted for additions and abatements during the original tax levy year.
  - (2) The assessed value for real property is 40% of the market value, or full cash value, for fiscal years 1993 - 2001. For fiscal year 2002 real property is assessed at full market value (100%) as mandated by a change in State law. Personal property is assessed based on the original cost less an annual depreciation of 10% to a minimum value of 25% of the original cost.
  - (3) Includes assessments on public utilities.

Source: Allegany County Tax Office and  
Allegany County Finance Office

**ALLEGANY COUNTY, MARYLAND  
ALLEGANY COUNTY PRIMARY GOVERNMENT**

**TEN YEAR SUMMARY OF  
REAL ESTATE  
PROPERTY TAX LEVIES AND COLLECTIONS**

Fiscal Year	Taxes Collected in Year of Levy			Total Taxes Collected		
	Tax Levy (1)	Taxes Collected	Percent	Tax Levy Adjusted (2)	Total Taxes Collected	Percent
2002	\$ 19,739,787	\$ 18,208,781	92.24%	\$ 19,739,787	\$ 18,208,781	92.24%
2001	19,287,454	17,801,226	92.29%	19,256,353	18,624,741	96.72%
2000	18,779,731	17,392,441	92.61%	18,703,345	18,656,441	99.75%
1999	18,044,743	16,559,997	91.77%	17,997,791	17,970,018	99.85%
1998	17,295,160	15,927,233	92.09%	17,292,422	17,265,385	99.84%
1997	16,829,374	15,577,450	92.56%	16,724,163	16,696,777	99.84%
1996	16,521,260	15,348,048	92.90%	16,514,547	16,512,177	99.99%
1995	16,098,878	14,865,657	92.34%	16,092,018	16,089,640	99.99%
1994	15,422,298	14,237,976	92.32%	15,411,050	15,410,106	99.99%
1993	14,624,638	13,474,334	92.13%	14,602,416	14,601,543	99.99%

**TEN YEAR SUMMARY OF  
PERSONAL PROPERTY  
TAX LEVIES AND COLLECTIONS**

Fiscal Year	Taxes Collected in Year of Levy			Total Taxes Collected		
	Tax Levy (1)	Taxes Collected	Percent	Tax Levy Adjusted (2)	Total Taxes Collected	Percent
2002	\$ 240,872	\$ 195,019	80.96%	\$ 240,872	\$ 195,019	80.96%
2001	191,726	170,281	88.81%	210,187	186,788	88.87%
2000	259,145	204,901	79.07%	214,061	202,532	94.61%
1999	269,137	198,792	73.86%	223,725	221,519	99.01%
1998	280,996	205,900	73.28%	234,247	230,076	98.22%
1997	306,030	241,579	78.94%	267,654	265,903	99.35%
1996	283,624	219,179	77.28%	260,657	259,425	99.53%
1995	305,322	229,287	75.10%	254,692	253,523	99.54%
1994	280,826	226,212	80.55%	250,039	249,655	99.85%
1993	224,627	191,715	85.35%	238,023	237,873	99.94%

Note: (1) Certified charges adjusted for additions and abatements in year of levy.

(2) Certified charges adjusted for additions and abatements from year of levy to June 30, 2002.

Source: Allegany County Tax Office and  
Allegany County Finance Office

(Continued)

**ALLEGANY COUNTY, MARYLAND  
ALLEGANY COUNTY PRIMARY GOVERNMENT**

**TEN YEAR SUMMARY OF  
CORPORATE PERSONAL PROPERTY  
TAX LEVIES AND COLLECTIONS**

Fiscal Year	Taxes Collected in Year of Levy			Total Taxes Collected		
	Tax Levy (1)	Taxes Collected	Percent	Tax Levy Adjusted (2)	Total Taxes Collected	Percent
2002	\$ 11,671,917	\$ 11,416,395	97.81%	\$ 11,671,917	\$ 11,416,395	97.81%
2001	15,858,558	15,708,793	99.06%	15,892,854	15,722,380	98.93%
2000	17,560,034	17,393,342	99.05%	17,510,848	17,407,509	99.41%
1999	12,431,900	12,085,500	97.21%	12,417,146	12,346,544	99.43%
1998	10,061,447	9,625,733	95.67%	9,973,762	9,931,165	99.57%
1997	10,350,893	9,921,882	95.86%	10,314,544	10,280,461	99.67%
1996	10,905,217	10,668,315	97.83%	10,850,076	10,836,318	99.87%
1995	11,507,012	11,231,999	97.61%	11,313,246	11,305,669	99.93%
1994	11,697,860	11,483,877	98.17%	11,640,714	11,635,410	99.95%
1993	11,726,084	11,326,684	96.59%	11,540,499	11,534,382	99.95%

**TEN YEAR SUMMARY OF  
ALL PROPERTY TAX LEVIES AND COLLECTIONS**

Fiscal Year	Taxes Collected in Year of Levy			Total Taxes Collected		
	Tax Levy (1)	Taxes Collected	Percent	Tax Levy Adjusted (2)	Total Taxes Collected	Percent
2002	\$31,652,576	\$29,820,195	94.21%	\$31,652,576	\$29,820,195	94.21%
2001	35,337,738	33,680,300	95.31%	35,359,394	34,533,909	97.67%
2000	36,598,910	34,990,684	95.61%	36,428,254	36,266,482	99.56%
1999	30,745,780	28,844,289	93.82%	30,638,662	30,538,081	99.67%
1998	27,637,603	25,758,866	93.20%	27,500,431	27,426,626	99.73%
1997	27,486,297	25,740,911	93.65%	27,306,361	27,243,141	99.77%
1996	27,710,101	26,235,542	94.68%	27,625,280	27,607,920	99.94%
1995	27,911,212	26,326,943	94.32%	27,659,956	27,648,832	99.96%
1994	27,400,984	25,948,065	94.70%	27,301,803	27,295,171	99.98%
1993	26,575,349	24,992,733	94.04%	26,380,938	26,373,798	99.97%

Note: (1) Certified charges adjusted for additions and abatements in year of levy.

(2) Certified charges adjusted for additions and abatements from year of levy to June 30, 2002.

Source: Allegany County Tax Office and  
Allegany County Finance Office

**ALLEGANY COUNTY, MARYLAND**  
**SCHEDULE OF REAL PROPERTY TAX RATES - DIRECT AND OVERLAPPING**  
**LAST TEN FISCAL YEARS**

	2002	2001	2000	1999	1998	1997	1996	1995	1994	1993
<b><u>Allegany County Tax Rates</u></b>										
Barton	0.9513	0.9520	0.9520	0.9480	0.9480	0.9480	0.9520	0.9560	0.9560	0.9600
Cumberland	0.9840	0.9040	0.9040	0.9040	0.9000	0.9040	0.9000	0.9000	0.9000	0.9080
Frostburg	0.9128	0.9120	0.9120	0.9120	0.9120	0.9120	0.9120	0.9160	0.9160	0.9200
Lonaconing	0.9330	0.9320	0.9320	0.9320	0.9320	0.9320	0.9320	0.9360	0.9360	0.9440
Luke	0.9287	0.9280	0.9280	0.9280	0.9280	0.9240	0.9240	0.9240	0.9200	0.9360
Midland	0.9513	0.9520	0.9520	0.9480	0.9480	0.9480	0.9520	0.9560	0.9560	0.9600
Westernport	0.9330	0.9320	0.9320	0.9320	0.9320	0.9320	0.9320	0.9360	0.9360	0.9440
Unincorporated	0.9840	0.9840	0.9880	0.9880	0.9880	0.9880	0.9920	1.0000	1.0000	0.9920
<b><u>Municipal Tax Rates</u></b>										
Barton	0.2320	0.2320	0.2320	0.2320	0.2320	0.2320	0.2320	0.2320	0.2320	0.2320
Cumberland	0.8720	1.0400	1.0480	1.0480	1.0480	1.0480	1.0480	1.0480	1.0480	1.0480
Frostburg	0.5000	0.5000	0.5000	0.5000	0.5000	0.5000	0.5000	0.5000	0.5000	0.5000
Lonaconing	0.3400	0.3400	0.3400	0.3400	0.3400	0.3400	0.3400	0.3400	0.3400	0.3400
Luke	0.2400	0.2400	0.2400	0.2400	0.2320	0.2120	0.1960	0.1960	0.1960	0.1960
Midland	0.2800	0.2800	0.2800	0.2800	0.2800	0.2800	0.2800	0.2800	0.2800	0.2800
Westernport	0.6000	0.6000	0.6000	0.6000	0.6000	0.6000	0.6000	0.5400	0.5400	0.5400
<b><u>Special Taxing Areas</u></b>										
<b><u>Sanitary Districts</u></b>										
Bedford Road	0.1000	0.0880	0.0880	0.0880	0.0880	0.0880	0.0960	0.0960	0.0960	0.0960
Bowling Green	0.1480	0.1440	0.1560	0.1560	0.1560	0.1560	0.1600	0.1600	0.1600	0.1600
Braddock Run	0.0040	0.0040	0.0160	0.0160	0.0160	0.0200	0.0320	0.0320	0.0320	0.0320
Cresaptown	0.0480	0.0360	0.0360	0.0360	0.0360	0.0360	0.0400	0.1040	0.1040	0.1040
Jennings Run - Wills Creek	0.0520	0.0320	0.0320	0.0320	0.0320	0.0320	0.0480	0.0480	0.0480	0.0680
Cash Valley Subdistrict	0.2440	0.2320	0.2440	0.2440	0.2440	0.2440	0.0000	0.0000	0.0000	0.0000
McCoole	0.1400	0.1400	0.1400	0.1400	0.1400	0.1400	0.1400	0.1400	0.1400	0.1400
Flintstone/ Gilpin	0.2000	0.2000	0.2000	0.2000	0.2000	0.2000	0.2000	0.2000	0.2000	0.2000
Franklin/ Brophytown	0.0920	0.0920	0.0920	0.0920	0.0920	0.0920	0.0920	0.0920	0.0920	0.0920
Oldtown	0.0960	0.0880	0.0880	0.0880	0.0880	0.0880	0.0880	0.0880	0.0880	0.0880
George's Creek	0.1600	0.1600	0.1600	0.1600	0.1600	0.1600	0.1600	0.1600	0.1600	0.1400
Mexico Farms	0.1840	0.1840	0.2000	0.2000	0.2000	0.2000	0.2000	0.2000	0.2000	0.0000
Oldtown Road	0.2600	0.2600	0.3840	0.3840	0.3840	0.3840	0.0000	0.0000	0.0000	0.0000
<b><u>Other Special Districts</u></b>										
Bedford Road Volunteer Fire Co	0.0400	0.0400	0.0400	0.0400	0.0400	0.0400	0.0400	0.0400	0.0400	0.0400
Bel Air Special Tax Area	0.0400	0.0400	0.0400	0.0400	0.0400	0.0400	0.0400	0.0400	0.0400	0.0400
Bowling Green and Roberts Place	0.0320	0.0320	0.0320	0.0320	0.0320	0.0320	0.0320	0.0280	0.0280	0.0280
Bowling Green Volunteer Fire Co	0.0400	0.0400	0.0400	0.0400	0.0400	0.0400	0.0400	0.0400	0.0400	0.0400
Corriganville Light & Imp Assoc.	0.0600	0.0600	0.0600	0.0600	0.0600	0.0600	0.0600	0.0600	0.0600	0.0400
Cresaptown Ambulance Taxing Area	0.0280	0.0280	0.0280	0.0200	0.0200	0.0200	0.0200	0.0200	0.0200	0.0200
Cresaptown Civic Improvement Assoc	0.0320	0.0320	0.0320	0.0320	0.0320	0.0320	0.0320	0.0320	0.0320	0.0320
Cresaptown Special Fire Tax Area	0.0520	0.0520	0.0520	0.0400	0.0400	0.0400	0.0400	0.0400	0.0400	0.0400
Ellerslie Special Taxing Area	0.0400	0.0400	0.0400	0.0400	0.0400	0.0400	0.0400	0.0400	0.0400	0.0400
LaVale Sanitary Commission	0.1000	0.1000	0.1000	0.1200	0.1200	0.1200	0.1200	0.1200	0.1200	0.1000
LaVale Fire Department	0.0400	0.0400	0.0400	0.0400	0.0400	0.0400	0.0400	0.0400	0.0400	0.0400
LaVale Volunteer Rescue Squad	0.0200	0.0200	0.0200	0.0200	0.0200	0.0200	0.0200	0.0200	0.0200	0.0200
McCoole Special Taxing Area	0.0400	0.0400	0.0400	0.0400	0.0400	0.0400	0.0400	0.0400	0.0400	0.0400
Moscow Special Taxing Area	0.1200	0.1200	0.1200	0.1200	0.1200	0.1200	0.1200	0.1200	0.1200	0.0000
Mt Savage Special Taxing Area	0.0400	0.0400	0.0400	0.0400	0.0400	0.0400	0.0400	0.0400	0.0400	0.0400
Potomac Park Citizens Committee	0.0320	0.0320	0.0320	0.0320	0.0320	0.0320	0.0320	0.0320	0.0320	0.0320
Rawlings Special Fire Tax Area	0.0600	0.0600	0.0600	0.0600	0.0600	0.0600	0.0600	0.0400	0.0400	0.0400

**Notes:**

Thirty special taxing areas have been established in the County. As provided by various statutes, taxes are levied and assessed within the special taxing areas to provide revenues for the amortization of bonded indebtedness of sanitary districts and to pay for fire protection, street lighting and other civic services.

All tax rates are per \$100 of assessed value. Years 2001 and prior have been restated to a full cash value assessment.

Source: Allegany County Finance Department; Maryland State Assessment Office



**ALLEGANY COUNTY, MARYLAND  
ALLEGANY COUNTY PRIMARY GOVERNMENT  
PROPERTY TAXES RECEIVABLE  
LAST TEN YEARS**

<u>Fiscal Year Ending June 30,</u>	<u>Real Estate</u>	<u>Local Personal Property</u>	<u>Corporate Personal Property (1)</u>	<u>Totals</u>
2002	\$ 2,299,814	\$ 88,845	\$ 717,879	\$ 3,106,538
2001	2,263,813	94,132	520,203	2,878,148
2000	2,105,537	145,352	449,215	2,700,104
1999	2,147,924	187,982	749,100	3,085,006
1998	1,966,459	164,392	768,074	2,898,925
1997	1,805,275	167,447	886,568	2,859,290
1996	1,708,949	136,369	687,231	2,532,549
1995	1,798,317	127,797	663,263	2,589,377
1994	1,742,793	120,133	808,810	2,671,736
1993	1,677,889	114,369	928,436	2,720,694

(1) Includes public utilities.

**ALLEGANY COUNTY, MARYLAND  
SPECIAL ASSESSMENT COLLECTIONS - PAVING LIENS  
LAST TEN YEARS**

<u>Fiscal Year</u>	<u>Beginning Balance</u>	<u>Special Assessment Levies</u>	<u>Assessment Collections</u>	<u>Ending Balance</u>
1993	122,369	-	28,049	94,320
1994	94,320	-	12,866	81,454
1995	81,454	-	7,286	74,168
1996	74,168	-	9,590	64,578
1997	64,578	-	15,243	49,335
1998	49,335	-	20,650	28,685
1999	28,685	-	7,573	21,112
2000	21,112	-	5,645	15,467
2001	15,467	-	6,635	8,832
2002	8,832	-	3,993	4,839

Source: Allegany County Tax Office and Finance Office

**ALLEGANY COUNTY, MARYLAND**  
**LEGAL DEBT LIMITATION**  
**June 30, 2002**

There is no aggregate limit to the amount of bonds and other indebtedness which may be outstanding at any one time for Allegany County. The incurring of direct bonded debt by the County must be authorized by a local public law enacted by the Board of Commissioners.

**ALLEGANY COUNTY, MARYLAND**  
**COMPUTATION OF DIRECT AND OVERLAPPING DEBT**  
**FISCAL YEAR ENDED JUNE 30, 2001 (1)**

<u>Name of Governmental Unit</u>	<u>Net Debt Outstanding</u>	<u>Allegany County's Share of The Debt (2)</u>	<u>Overlapping Debt</u>
Allegany County	\$ 47,537,740	\$ 47,537,740	\$ -
Cumberland	4,899,601	-	4,899,601
Frostburg	662,924	-	-
Westernport	146,040	-	-
Allegany County Board of Education	-	-	-
	<u>\$ 53,246,305</u>	<u>\$ 47,537,740</u>	<u>\$ 4,899,601</u>

- (1) The most recent year which all information is available.  
(2) Allegany County debt and debt for which Allegany County has pledged it's full faith and credit.  
Source: Allegany County Finance Office

**ALLEGANY COUNTY, MARYLAND**  
**ALLEGANY COUNTY PRIMARY GOVERNMENT**  
**PRINCIPAL AMOUNT OF LONG AND SHORT TERM DEBT**  
**LAST TEN FISCAL YEARS**

<u>Fiscal Year</u>	<u>Long Term Debt</u>	<u>Short Term Debt</u>
2002	\$ 44,257,305	\$ -
2001	47,537,740	-
2000	51,314,968	-
1999	54,521,256	-
1998	42,160,366	-
1997	44,383,886	-
1996	40,389,891	-
1995	29,451,362	-
1994	31,012,050	-
1993	27,816,840	2,500,000

Source: Allegany County Finance Department

**ALLEGANY COUNTY SANITARY AND WATER DISTRICTS  
PRINCIPAL AMOUNT OF LONG AND SHORT TERM DEBT  
LAST TEN FISCAL YEARS**

<u>Fiscal Year</u>	<u>SANITARY DISTRICTS</u>		<u>WATER DISTRICTS</u>	
	<u>Long-Term Debt (1)</u>	<u>Short-Term Debt</u>	<u>Long-Term Debt</u>	<u>Short-Term Debt</u>
2002	\$ 4,712,861	\$ -	\$ 3,426,301	\$ -
2001	6,302,477	-	1,854,549	-
2000	5,579,659	-	1,936,504	-
1999	6,084,055	-	1,013,319	-
1998	5,457,904	-	1,072,976	-
1997	5,903,706	-	787,313	-
1996	6,327,735	-	843,652	-
1995	6,066,868	-	886,966	-
1994	6,518,251	-	927,995	-
1993	6,997,039	-	966,733	-

**Notes:**

- (1) Includes advances (loans) from Allegany County to retire various debt issues early.
- (2) FY2002 includes a residual equity transfer from the Sanitary Districts to the Water Districts which included \$1,073,635 of debt.

Source: Allegany County Finance Office

**ALLEGANY COUNTY PRIMARY GOVERNMENT  
REVENUE BOND COVERAGE  
SANITARY AND WATER DISTRICTS  
LAST TEN FISCAL YEARS**

**SANITARY DISTRICTS**

Fiscal Year	Gross Revenues (1)	Operating Expenses (2)	Net Revenue Available for Debt Service	Principal	Interest	Total	Coverage
2002	\$ 5,149,268	\$ 3,870,465	\$ 1,278,803	\$ 515,979	\$ 298,032	\$ 814,011	1.57%
2001	4,619,201	3,780,872	838,329	477,182	301,188	778,370	1.08%
2000	4,701,126	3,391,602	1,309,524	504,396	333,245	837,641	1.56%
1999	4,476,135	3,370,286	1,105,849	473,846	344,220	818,066	1.35%
1998	4,085,484	3,358,193	727,291	445,802	342,069	787,871	0.92%
1997	3,811,774	3,078,577	733,197	424,029	367,263	791,292	0.93%
1996	3,688,264	2,752,182	936,082	443,633	378,023	821,656	1.14%
1995	3,653,676	2,869,509	784,167	451,383	415,643	867,026	0.90%
1994	3,571,134	2,634,176	936,958	478,789	427,730	906,519	1.03%
1993	3,404,293	2,648,538	755,755	451,508	433,543	885,051	0.85%

**WATER DISTRICTS**

Fiscal Year	Gross Revenues (1)	Operating Expenses (2)	Net Revenue Available for Debt Service	Principal	Interest	Total	Coverage
2002	\$ 1,043,256	\$ 826,387	\$ 216,869	\$ 101,883	\$ 138,431	\$ 240,314	0.90%
2001	754,227	682,149	72,078	81,955	87,478	169,433	0.43%
2000	606,260	565,537	40,723	70,515	76,905	147,420	0.28%
1999	533,325	478,747	54,578	59,657	65,273	124,930	0.44%
1998	465,612	298,190	167,422	53,837	64,571	118,408	1.41%
1997	435,286	272,717	162,569	56,339	58,807	115,146	1.41%
1996	417,338	280,479	136,859	43,314	62,440	105,754	1.29%
1995	387,749	230,505	157,244	41,029	65,649	106,678	1.47%
1994	362,405	242,458	119,947	38,738	68,680	107,418	1.12%
1993	343,128	214,414	128,714	43,324	69,691	113,015	1.14%

1 - Total revenues including interest, does not include capital grants.

2 - Total operating expenses less depreciation.

**ALLEGANY COUNTY PRIMARY GOVERNMENT  
RATIO OF BONDED DEBT  
TO ASSESSED VALUES AND BONDED DEBT PER CAPITA  
LAST TEN FISCAL YEARS**

<u>Fiscal Year Ended June 30</u>	<u>County Debt (1)</u>	<u>Assessed Value (2)</u>	<u>Ratio of County Debt to Assessed Value</u>	<u>Estimated Population (3)</u>	<u>Debt per Capita</u>
2002	\$ 44,257,305	\$ 2,576,719,213 (4)	1.72%	75,300	\$ 588
2001	47,537,740	1,482,426,545	3.21%	74,930	634
2000	51,314,968	1,541,829,855	3.33%	71,333	719
1999	54,521,256	1,303,498,831	4.18%	71,160	766
1998	42,160,366	1,170,199,460	3.60%	71,330	591
1997	44,838,886	1,177,239,580	3.81%	72,101	622
1996	40,389,891	1,169,359,316	3.45%	72,964	554
1995	29,451,362	1,173,829,219	2.51%	73,564	400
1994	31,012,050	1,156,625,942	2.68%	73,687	421
1993	27,816,840	1,151,851,787	2.41%	74,141	375

- Notes: (1) Allegany County component unit debt only, does not include any other component units of the Allegany County reporting entity. Includes Nursing Home portion of 1992 bond issue.
- (2) Includes adjustments for additions and abatements during the year of levy.
- (3) Source: Maryland Population Reports, Maryland Center for Health Statistics, Department of Health and Mental Hygiene. Updated for revised estimates when available with the assistance of the Allegany County Department of Planning and Zoning. Fiscal year 2001 population number from US Census.
- (4) For fiscal year 2002 real estate property was assessed at 100% of full market value due to a change in State law, prior to fiscal year 2002 real estate property was assessed at 40% of market value. Property tax rates were adjusted to make the law revenue neutral.

Source: Allegany County Finance Office

**ALLEGANY COUNTY, MARYLAND**  
**RATIO OF ANNUAL DEBT SERVICE FOR GENERAL BONDED**  
**DEBT TO TOTAL GENERAL FUND EXPENDITURES (1)**  
**LAST TEN FISCAL YEARS**

<u>Fiscal Year</u>	<u>Principal (1)</u>	<u>Interest</u>	<u>Sinking Fund Deposit</u>	<u>Total Debt Service</u>	<u>Total General Fund Expenditures and Other Financing Uses</u>	<u>Ratio of Debt Service to General Fund Expenditures</u>
2002	\$ 3,936,483	\$ 2,178,629	\$ -	\$ 6,115,112	\$ 59,481,020	10.28%
2001	3,777,228	2,530,986	-	6,308,214	61,196,447	10.31%
2000	3,606,289	2,648,162	(5,796)	6,248,655	55,197,409	11.32%
1999	2,784,487	2,453,383	(106,065)	5,131,805	53,127,979	9.66%
1998	2,783,737	2,317,555	(1,662)	5,099,630	50,535,309	10.09%
1997	2,605,479	2,066,598	(2,909)	4,669,168	47,228,507	9.89%
1996	3,220,784	1,778,294	(135,952)	4,863,126	46,185,236	10.53%
1995	2,630,833	1,800,065	7,040	4,437,938	44,137,901	10.05%
1994	4,211,705	1,571,818	(37,420)	5,746,103	41,258,871	13.93%
1993	2,337,646	2,055,582	57,495	4,450,723	37,243,945	11.95%
1992	1,646,621	1,991,824	55,947	3,694,392	36,936,295	10.00%

(1) Does not include any debt retired with proceeds of new debt or debt retired using sinking fund deposits.

Source: Allegany County Finance Department

**ALLEGANY COUNTY, MARYLAND  
DEMOGRAPHIC STATISTICS  
LAST TEN YEARS**

<u>Fiscal Year</u>	<u>Estimated Population (1)</u>	<u>Per Capita Income (2)</u>	<u>Public School Enrollment (3)</u>	<u>Unemployment Rate (2)</u>
2002	75,300	N/A	10,151	N/A
2001	74,930 (4)	N/A	10,425	7.6%
2000	71,333	N/A	10,490	6.4%
1999	71,160	21,453	10,987	7.1%
1998	71,330	20,429	11,110	8.9%
1997	72,101	19,803	11,190	7.3%
1996	72,964	18,700	11,300	8.5%
1995	73,564	17,896	11,303	9.5%
1994	73,687	17,068	11,240	9.6%
1993	74,141	16,326	11,167	11.6%

N/A - Not available

Source: (1) Maryland Population Reports, Maryland Center for Health Statistics, Department of Health and Mental Hygiene. Updated for revised estimates when available with the assistance of the Allegany County Department of Planning and Zoning.

(2) Figures are on a calendar year basis from the Maryland Department of Economic and Employment Development, Office of Labor Market Analysis and Information and Department of Commerce.

(3) Allegany County Board of Education Calendar Handbook, FY 93 - FY 02, enrollment as of September 30, for that fiscal year. FY 93-02 includes Pre-K enrollment.

(4) U S Census 2000

**ALLEGANY COUNTY, MARYLAND**  
**PROPERTY VALUE, CONSTRUCTION AND BANK DEPOSITS**  
**LAST TEN YEARS**

Fiscal Year	Commercial Construction (1)		Residential Construction (1)		Bank Deposits (2) (thousands)	Property Value (3) (thousands)			
	Number of Units	Value (thousands)	Number of Units	Value (thousands)		Commercial	Residential	Agricultural	Non-Taxable
2002	13	\$ 3,349	108	\$ 9,904	N/A	\$ 533,931	\$ 1,500,992	\$ 63,334	\$ 790,379
2001	25	13,565	87	6,460	\$ 664,406	211,168	585,853	31,408	303,311
2000	15	2,473	117	7,427	685,786	207,328	566,802	22,928	297,999
1999	17	3,960	110	6,780	695,208	199,843	540,770	21,402	289,478
1998	23	3,682	118	7,288	701,879	199,719	516,343	20,206	273,321
1997	34	16,147	162	10,119	1,867,000	194,441	496,980	19,053	254,293
1996	18	19,094	163	9,311	1,213,358	187,185	480,916	18,779	246,540
1995	14	1,224	213	11,530	1,170,540	188,036	464,550	18,011	217,481
1994	14	2,814	210	8,469	949,528	181,065	444,428	16,460	205,227
1993	15	4,950	223	9,156	841,235	171,051	421,600	15,493	194,472

Source: (1) Allegany County Planning & Zoning Department  
(2) Financial Institutions Data Exchange  
(3) State Department of Assessments and Taxation



**ALLEGANY COUNTY, MARYLAND  
TEN LARGEST PROPERTY TAXPAYERS  
FOR FISCAL YEAR 2002**

<u>Name of Taxpayer</u>	<u>Assessment</u>	<u>Percentage of Assessable Base</u>	<u>Gross Tax</u>	<u>Industrial Exemption</u>	<u>Net Tax</u>	<u>Percentage of Tax Revenues</u>
AES WR Limited Partnership	\$ 171,057,456	6.64%	\$ 3,961,421	\$ 3,896,005	\$ 65,416	0.24%
Westvaco Corporation	153,854,700	5.97%	2,616,731	\$ 1,376,727	1,240,004	4.58%
Potomac Edison Co.	54,578,050	2.12%	1,288,541	-	1,288,541	4.76%
Verizon-Maryland	45,548,280	1.77%	1,075,736	-	1,075,736	3.98%
Lavale Associates	31,384,770	1.22%	309,682		309,682	1.14%
CSX Transportation	17,827,786	0.69%	305,981	-	305,981	1.13%
Columbia Gas of Maryland, Inc.	15,251,110	0.59%	359,022	-	359,022	1.33%
Hunter Douglas Northeast Inc	10,506,920	0.41%	141,652	67,473	74,179	0.27%
Superfox Packaging Incorporated	9,055,060	0.35%	149,488	106,554	42,934	0.16%
Level 3 Communications	6,964,820	0.27%	168,978		168,978	0.62%

Source: Allegany County Tax Office and  
Allegany County Finance Office

**ALLEGANY COUNTY, MARYLAND**  
**MISCELLANEOUS STATISTICAL DATA**  
**June 30, 2002**

Form of government: Board of County Commissioners/Board President

Area - square miles	428	Education:	
County Roads - Mileage	544	Number of Schools:	
Public Services:		Secondary	4
Police Protection:		Middle	3
Sheriff	1	K - 8	1
Assistant Sheriff	0	Elementary	14
Deputy Sheriffs	20	Vocational Education	1
State Troopers	37	Community College	1
Fire and Rescue Units:		State University	1
Volunteer Fire Stations	23	Enrollment: (Spring 2002)	
Paid Fire Departments	1	Public School System	10,151
Rescue Units	4	Community College	2,770
Medivac Units	1	State University	4,974

**Building Permits Issued for the Fiscal Year Ending June 30, 2002**  
(Does not include several municipalities)

	<u>No. Issued</u>	<u>Estimated Value</u>	Elections:	
Apartments	0	-	(registration as of June 30, 2002)	
Residential	108	\$ 9,904,380	Democratic voters	16,543
Commercial & Industrial	13	3,349,000	Republican voters	18,252
Other	339	3,843,158	Other parties	114
Totals	<u>460</u>	<u>\$ 17,096,538</u>	Unaffiliated/Others	3,263
			Total registered voters	<u>38,172</u>

Percentage of voters casting ballots  
last general election (2000) 67%

Source: Allegany County: Finance Department, Department of Economic Development,  
Election Board and Planning and Zoning Department. Others include: Board  
of Education, Allegany College and Frostburg State University.

**ALLEGANY COUNTY, MARYLAND  
MAJOR COUNTY EMPLOYERS  
FY 2002**

<b><u>Employer</u></b>	<b><u>Product or Service</u></b>	<b><u>Estimated Employment</u></b>
Western Maryland Health Systems	Health Services	2,350
Westvaco Corporation	Printing and Sheeted Papers	1,400
Allegany County Board of Education	Public School System	1,291
CSX Transportation	Rail Transportation	1,000
Frostburg State University	Higher Education, 4 Year Institution	918
Western Correctional Institute	Correctional Facility	578
Allegany County	Local County Government (Full time only)	500
Hunter Douglas	Window Coverings	487
CyberRep.Com	Call Center	470
Allegany College	Higher Education, 2 Year Institution	445
Biederlack Company, Inc	Blanket Manufacturer	400
Bayliner Marine Corporation	Boat Manufacturer	400
City of Cumberland	Municipal Government	320
Federal Correctional Institute	Correctional Facility	316
S. Schwab Company	Knit Goods	270

Source: Allegany Finance Department and  
Department of Economic Development

**STATE OF MARYLAND  
9-1-1 TRUST FUND RECEIPTS AND EXPENDITURES  
FOR THE PERIOD JULY 1, 2001 THROUGH JUNE 30, 2002  
ALLEGANY COUNTY, MARYLAND**

FUNDS	FY 2002 Local Fee	State Fee 9-1-1 Numbering System	FY 2002 State Misc.	FY 2002 County Funding	FY 2002 Total
Receipts	\$ 431,936	\$ -	\$ -	280,308	\$ 712,244
Total Funds Available	<u>431,936</u>	<u>0</u>	<u>0</u>	<u>280,308</u>	<u>712,244</u>
<b>EXPENDITURES</b>					
Personnel costs	367,146	-	-	161,597	528,743
Non-personnel cost:					
Telephone	21,381	-	-	33,884	55,265
Equipment purchased/leased	13,606	-	-	21,562	35,168
Repairs	11,662	-	-	18,482	30,144
Utilities	3,240	-	-	5,134	8,374
Miscellaneous	14,901	-	-	23,616	38,517
Ineligible expenditures	-	-	-	16,033	16,033
Total Expenditures	<u>431,936</u>	<u>0</u>	<u>0</u>	<u>280,308</u>	<u>712,244</u>
Excess (Deficiency) in Funding	\$ <u>0</u>	\$ <u>0</u>	\$ <u>0</u>	<u>0</u>	\$ <u>0</u>

Prepared by: Allegany County Finance Office

**ALLEGANY COUNTY  
FIRE, RESCUE AND AMBULANCE EXPENDITURES  
F.Y. 2002**

Fire, Rescue And Ambulance Expenditures:	
Fire Companies	\$ 823,300
Fire Suppression	11,849
Total Expenditures	<u>835,149</u>
Less Loan Payments	0
Plus New Loans	<u>25,000</u>
Gross Expenditures	<u>860,149</u>
Less Non Qualified Expenditures	13,770
Net Expenditures	<u>\$ 846,379</u>

Prepared by: Allegany County Finance Office

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